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**NOTICE OF ANNUAL AND SPECIAL MEETING OF  
SHAREHOLDERS AND MANAGEMENT PROXY CIRCULAR**

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**D-BOX TECHNOLOGIES INC.**

July 8, 2016



**D-BOX TECHNOLOGIES INC.**

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

TAKE NOTICE that an Annual and Special Meeting of Shareholders (the “**Meeting**”) of D-BOX Technologies Inc. (the “**Corporation**”) will be held at the McCord Museum, 690 Sherbrooke West Street, Montreal, Québec, on August 17, 2016 at 10:00 a.m. for the following purposes:

1. To receive and consider the consolidated financial statements of the Corporation for the fiscal year ended March 31, 2016 and the auditors’ report thereon;
2. To elect directors;
3. To appoint Ernst & Young LLP as auditors of the Corporation and authorize the directors to fix their remuneration;
4. To consider, and if deemed advisable adopt, a resolution in the form annexed as Schedule A to the Management Proxy Circular, ratifying and approving the Amended and Restated Shareholder Rights Plan of the Corporation;
5. To consider, and if deemed advisable, adopt a special resolution in the form annexed as Schedule B to the Management Proxy Circular, authorizing an amendment to the Articles of the Corporation so as to, if deemed advisable by the Board of Directors of the Corporation, consolidate, no later than twelve months from the date of the Meeting, the issued and outstanding Class A common shares of the Corporation on the basis of one Class A common share for a maximum of every ten Class A common shares issued and outstanding; and
6. To transact such other business as may properly be brought before the Meeting.

Only persons registered as shareholders on the records of the Corporation as of the close of business on July 5, 2016 (the “**Record Date**”) are entitled to receive notice of, and to vote or act at, the Meeting. No person who becomes a shareholder after the Record Date will be entitled to vote or act at the Meeting or any adjournment thereof.

If you are unable to attend the Meeting in person, please complete and sign the enclosed form of proxy and deliver it to Computershare Investor Services Inc. (i) by mail or hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775. A shareholder may also vote using the internet at [www.investorvote.com](http://www.investorvote.com) or by telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 5:00 p.m. (eastern time) on August 15, 2016 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

DATED at Longueuil, Québec  
July 8, 2016

BY ORDER OF THE BOARD OF DIRECTORS

*(s) Jean Lamarre*

Jean Lamarre  
Chairman of the Board of Directors

## D-BOX TECHNOLOGIES INC.

### MANAGEMENT PROXY CIRCULAR

#### SOLICITATION OF PROXIES BY MANAGEMENT

**This Management Proxy Circular (the “Circular”)** is furnished in connection with the solicitation by the management of D-BOX Technologies Inc. (the “Corporation”) of proxies to be used at the annual and special meeting of shareholders (the “Meeting”) of the Corporation to be held at the time and place and for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation. 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 forward proxy-related materials to certain beneficial owners of the shares. See “Appointment and Revocation of Proxies – Notice to Beneficial Shareholders” below.

#### INTERNET AVAILABILITY OF PROXY-RELATED MATERIALS

##### Notice-and-Access

The Corporation has elected to use “notice-and-access” rules (“**Notice-and-Access**”) under NI 54-101 for distribution of Proxy-Related Materials (as defined below) to shareholders who do not hold shares of the Corporation in their own names (referred to herein as “**Beneficial Shareholders**”). Notice-and-Access is a recent set of rules that allows issuers to post electronic versions of proxy-related materials on SEDAR and on one additional website, rather than mailing paper copies. “**Proxy-Related Materials**” refers to this Circular, the Notice of Meeting and a voting instruction form.

The use of Notice-and-Access is more environmentally friendly as it will help reduce paper use. It will also reduce the Corporation’s printing and mailing costs. Beneficial Shareholders may obtain further information about Notice-and-Access by contacting: (i) for Beneficial Shareholders with a 15-digit Control Number: Computershare Investor Services Inc. toll free at 1-866-964-0492 or on the internet at [www.computershare.com/noticeandaccess](http://www.computershare.com/noticeandaccess); or (ii) for Beneficial Shareholders with a 16-digit Control Number: Broadridge Financial Solutions, Inc. toll free at 1-855-887-2244.

The Corporation is not using Notice-and-Access for delivery to shareholders who hold their shares directly in their respective names (referred to herein as “**Registered Shareholders**”). Registered Shareholders will receive paper copies of this Circular and related materials via prepaid mail.

##### Websites Where Proxy-Related Materials are Posted

The Proxy-Related Materials are available on the Corporation’s website at [www.d-box.com](http://www.d-box.com) and under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

##### Notice Package

Although the Proxy-Related Materials have been posted on-line as noted above, Beneficial Shareholders will receive paper copies of a notice package (“**Notice Package**”) via prepaid mail containing information prescribed by NI 54-101 such as: the date, time and location of the Meeting, the website addresses where the Proxy-Related Materials are posted, a voting instruction form, and supplemental mail list return card for Beneficial Shareholders to request they be included in the Corporation’s supplementary mailing list for receipt of the Corporation’s interim financial statements for the 2017 fiscal year.

##### How to Obtain Paper Copies of Proxy-Related Materials

Beneficial Shareholders may obtain paper copies of this Circular free of charge by contacting: (i) for Beneficial Shareholders with a 15-digit Control Number: Computershare Investor Services Inc. toll free at 1-866-962-0498 (within North America) or 514-982-8716 (outside North America); or (ii) for Beneficial Shareholders with a 16-digit Control Number: Broadridge Financial Solutions, Inc. toll free at 1-877-907-7643. Any request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Corporation by August 1, 2016 in order to allow sufficient time for Beneficial Shareholders to receive their paper copies and to return their voting instruction form by its due date.

## APPOINTMENT AND REVOCATION OF PROXIES

### Appointment of Proxy

A Registered Shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to Computershare Investor Services Inc. (i) by mail or hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775. A Registered Shareholder may also vote using the internet at [www.investorvote.com](http://www.investorvote.com) or telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 5:00 p.m. (eastern time) on August 15, 2016 or be deposited with the Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof.

The document appointing a proxy must be in writing and executed by the Registered Shareholder or his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**A Registered Shareholder submitting a form of proxy has the right to appoint a person (who need not be a shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. To exercise that right, the name of the Registered Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Registered Shareholder should notify the appointee of his or her appointment, obtain his or her consent to act as appointee and instruct him or her on how the Registered Shareholder's shares are to be voted.**

Shareholders who are not Registered Shareholders should refer to "Notice to Beneficial Holders of Shares" below.

### Revocation of Proxy

A Registered Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a Registered Shareholder who has given a proxy personally attends the Meeting at which that proxy is to be voted, that Registered Shareholder may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Registered Shareholder or his attorney or authorized agent and deposited with (i) Computershare Investor Services Inc. at any time up to 5:00 p.m. (eastern time) on August 15, 2016 by mail or by hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, or by facsimile to 416-263-9524 or 1-866-249-7775, (ii) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or (iii) with the Secretary of the Corporation before the commencement of the Meeting, or any adjournment thereof, and upon any such deposit, the proxy will be revoked.

### Notice to Beneficial Shareholders

The information set out in this section is of significant importance to many shareholders, as a substantial number of shareholders are Beneficial Shareholders and do not hold shares of the Corporation in their own names. Beneficial Shareholders should note that only proxies deposited by Registered Shareholders (shareholders whose names appear on the records of the Corporation as the registered holders of shares) can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Those shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of those shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined below), the Corporation does not know for whose benefit the shares of the Corporation registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders for the purposes of applicable securities regulatory policy in relation to the mechanism of dissemination to Beneficial Shareholders of proxy-related materials and other securityholder materials and the request for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners ("NOBOs") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. **Securities legislation restricts the use of that information to matters**

**strictly relating to the affairs of the Corporation.** Objecting beneficial owners (“**OBOs**”) are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice Package directly to NOBOs and indirectly through intermediaries to OBOs. NI 54-101 permits the Corporation, in its discretion, to obtain a list of its NOBOs from intermediaries and use such NOBO list for the purpose of distributing the Notice Package directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Corporation is entitled to deliver the Notice Package to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. In accordance with the requirements of NI 54-101, the Corporation is sending the Notice Package directly to NOBOs and indirectly through intermediaries to OBOs. The cost of the delivery of the Notice Package by intermediaries to OBOs will be borne by the Corporation.

The Corporation has used a NOBO list to send the Notice Package directly to NOBOs whose names appear on that list. If the Corporation’s transfer agent, Computershare Investor Services Inc., has sent these materials directly to a NOBO at the request of the Corporation, such NOBO’s name and address and information about its holdings of shares of the Corporation have been obtained from the intermediary holding such shares on the NOBO’s behalf in accordance with applicable securities regulatory requirements. As a result, any NOBO of the Corporation can expect to receive a voting instruction form from Computershare Investor Services Inc. NOBOs should complete and return the voting instruction form to Computershare Investor Services Inc. in the envelope provided. In addition, telephone voting and internet voting are available; instructions in respect of the procedure for telephone and internet voting can be found in the voting instruction form. Computershare Investor Services Inc. will tabulate the results of voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by such voting instruction forms.

Applicable securities regulatory policy requires intermediaries, on receipt of Notice Packages that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings on Form 54-101F7 (Request for Voting Instructions Made by Intermediary). Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting or any adjournment(s) thereof. Often, the form of request for voting instructions supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the Registered Shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and Form 54-101F7. Beneficial Shareholders can also write the name of someone else whom they wish to attend at the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in Form 54-101F7 will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in Form 54-101F7 or this Circular.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). In forwarding the Notice Package to Beneficial Shareholders, Broadridge typically includes a voting instruction form in lieu of the form of proxy that some intermediaries employ. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number to vote the shares held by them or access Broadridge’s dedicated voting website at <https://central-online.proxyvote.com> to deliver their voting instructions. Broadridge will then provide aggregate voting instructions to the Corporation’s transfer agent and registrar, which tabulates the results and provides appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment(s) thereof.

## **EXERCISE OF DISCRETION BY PROXIES**

**Shares represented by properly-executed proxies in favour of the persons designated in the enclosed form of proxy, in the absence of any direction to the contrary, will be voted FOR the: (i) election of directors; (ii) appointment of auditors; (iii) resolution ratifying and approving the Amended Shareholder Rights Plan of the Corporation; and (iv) special resolution authorizing an amendment to the Articles of the Corporation so as to, if deemed advisable by the Board of Directors of the Corporation, consolidate the issued and outstanding Class A common shares of the Corporation on the basis of one Class A common share for a maximum of every ten Class A common shares issued and outstanding, as stated under such headings in this Circular.** Instructions with respect to voting will be respected by the persons designated in the enclosed form of proxy. With respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, such shares will be voted by the persons so designated in their discretion. At the time of printing this Circular, management of the Corporation knows of no such amendments, variations or other matters.

## VOTING SHARES

As at July 8, 2016, there were 175,003,906 issued and outstanding Class A common shares of the Corporation. There are no other issued and outstanding shares. Each common share entitles the holder thereof to one vote. The Corporation has fixed July 5, 2016 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive notice of the Meeting. Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of shares held by each shareholder. A shareholder of record on the Record Date will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, even though the shareholder may subsequently dispose of his or her shares. No shareholder who has become a shareholder after the Record Date will be entitled to attend or vote at the Meeting or any adjournment(s) thereof. The list of shareholders is available for inspection during usual business hours at the registered office of the Corporation, 2172 rue de la Province, Longueuil, Québec J4G 1R7 and at the Meeting.

## PRINCIPAL SHAREHOLDERS

As at July 8, 2016, to the best knowledge of the Corporation, the following are the only persons who beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the Class A common shares of the Corporation:

<u>Name and municipality of residence</u>	<u>Number of Class A common shares held</u>	<u>Percentage</u>
Fidelity Management & Research Company ..... Boston, Massachusetts	23,225,000 <sup>(1)</sup>	13,27%
Caisse de dépôt et placement du Québec ..... Montreal, Québec	19,108,882 <sup>(2)</sup>	10,92%

(1) This information is taken from an early warning report dated May 8, 2015 and filed on SEDAR by Fidelity Management & Research Company on May 11, 2015 and is not within the direct knowledge of the Corporation.

(2) The information is taken from the SEDI website at [www.sedi.ca](http://www.sedi.ca) as of July 8, 2016. This information is generated from insider reports filed on SEDI by such person and is not within the direct knowledge of the Corporation.

## ELECTION OF DIRECTORS

The Board of Directors currently consists of seven members. Unless otherwise specified, the persons named in the enclosed form of proxy intend to vote for the election of the seven nominees whose names are set out below. Each director will hold office until the next annual meeting of shareholders or until the election of his or her successor, unless the director resigns or his or her office becomes vacant by removal, death or any other cause.

The following table sets out the name of each of the persons proposed to be nominated for election as director, all other positions and offices with the Corporation now held by such person, his or her principal occupation, the year in which such person became a director of the Corporation, and the number of Class A common shares of the Corporation that such person has advised are beneficially owned or over which control or direction is exercised by such person as at the date indicated below:

<u>Name, municipality of residence and position with the Corporation</u>	<u>Principal occupation</u>	<u>First year as director</u>	<u>Number of shares beneficially owned or over which control is exercised as at July 8, 2016</u>
Jean Lamarre <sup>(2)</sup> ..... Montreal, Québec, Canada Chairman of the Board of Directors and Director	President Lamarre Consultants	2013	132,000
Claude Mc Master ..... St. Lambert, Québec, Canada President, Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation	2006	2,407,756
Élaine C. Phénix <sup>(1)</sup> ..... Verdun, Québec, Canada Director	President Phénix Capital Inc.	2004	340,000
Kit Dalaroy <sup>(1)</sup> ..... Montreal, Québec, Canada Director	Chief Financial Officer Landry Investment Management	2013	40,000
Louis P. Bernier <sup>(2)</sup> ..... St. Lambert, Québec, Canada Director	Partner Fasken Martineau DuMoulin LLP (law firm)	2014	162,000
Sylvain Lafrance <sup>(2)</sup> ..... Montreal, Québec, Canada Director	Chairman of the Board of Directors for the Québec Film and Television Council, Adjunct Professor - HEC Montréal	2014	20,973
Gary M. Collins <sup>(1)</sup> ..... Vancouver, British Columbia, Canada Director	Consultant & Corporate Director	2015	249,000

(1) Member of the Audit Committee.

(2) Member of the Compensation and Corporate Governance Committee.

The information as to shares beneficially owned or over which the above-named individuals exercise control or direction is not within the knowledge of the Corporation and has been furnished by the respective nominees individually.

To the knowledge of the Corporation, none of the nominees for election as a director of the Corporation:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, with the exception of Mr. Jean Lamarre, who until October 6, 2009 was a director of Medical Intelligence Technologies Inc., which filed for and obtained protection under the *Companies' Creditors Arrangement Act* and made an assignment of its property on February 9, 2010; who until October 21, 2011 was a director of privately-held Mechtronix World Corporation and certain of its Canadian subsidiaries which, on or about May 15, 2012, filed a notice of intention under the *Companies' Creditors Arrangement Act* and whose assets were liquidated on May 18, 2012; and who until June 2012 was a director of Mango Copper Industries Inc., which on April 17, 2012 filed a notice of intention under the *Companies' Creditors Arrangement Act* and obtained protection from its creditors on September 24, 2012; or
- (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the foregoing nominees for election as director of the Corporation has been subject to:

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

All of the nominees whose names are set out above have previously been elected directors of the Corporation at a shareholders' meeting for which an information circular was issued.

### **Majority Voting for Directors**

In March 2013, the Board of Directors adopted a majority-voting policy which was amended on July 8, 2016. Under this policy, in an uncontested election of directors, any nominee proposed for election as a director who receives a greater number of "withheld" votes than "for" votes is expected promptly following the date of the shareholders' meeting at which the election occurred to tender his or her resignation to the Chairman of the Board of Directors for consideration by the Compensation and Corporate Governance Committee of the Board of Directors, with the resignation to take effect upon acceptance by the Board of Directors. This policy applies only to "uncontested elections", that is, elections where the number of nominees for director is equal to the number of directors to be elected.

The Compensation and Corporate Governance Committee shall consider the resignation and, promptly following the date of the shareholders' meeting at which the election occurred, make a recommendation to the Board of Directors whether or not to accept it. The Compensation and Corporate Governance Committee shall be expected to accept the resignation except in situations in which extenuating circumstances would warrant the applicable director continuing to serve on the Board of Directors. In considering whether or not to accept the resignation, the Compensation and Corporate Governance Committee shall consider all factors deemed relevant by the Compensation and Corporate Governance Committee including, without limitation, the stated reason or reasons why shareholders "withheld" votes from the election of the director, the qualifications of the director (including, for example, the impact the director's resignation would have on the Corporation's compliance with the requirements of applicable corporate and securities laws and the rules of any stock exchange on which the Corporation's securities are listed or posted for trading), such director's contribution to the Corporation, and whether the director's resignation from the Board of Directors would be in the best interests of the Corporation.

The Compensation and Corporate Governance Committee will also consider a range of possible alternatives concerning the director's tendered resignation as the Compensation and Corporate Governance Committee deems appropriate, including acceptance of the resignation, rejection of the resignation, or rejection of the resignation coupled with a commitment to seek to address and cure the underlying reasons reasonably believed by the Compensation and Corporate Governance Committee to have substantially resulted in the "withheld" votes.

The Board of Directors will act on the Compensation and Corporate Governance Committee's recommendation within 90 days following the date of the shareholders' meeting at which the election occurred. The Board of Directors will be expected to

accept the resignation except in situations where extenuating circumstances would warrant that the director continue to serve on the Board of Directors. In considering whether or not to accept a resignation, the Board of Directors will consider the information, factors and alternatives considered by the Compensation and Corporate Governance Committee and such additional information, factors and alternatives that the Board of Directors may consider to be relevant.

Following the Board of Directors' decision on the Compensation and Corporate Governance Committee's recommendation, the Board of Directors will promptly disclose, by way of a press release, the Board of Directors' decision whether or not to accept the director's offer of resignation, together with an explanation of the process by which the decision was made and, if applicable, the Board's reason or reasons for rejecting the tendered resignation.

A director who tenders his or her resignation will not participate in any meetings to consider whether the resignation will be accepted.

Shareholders should note that, as a result of the majority-voting policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election.

## COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

### Compensation Discussion & Analysis

This discussion describes the Corporation's compensation program for each person who acted as President and Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three most highly-compensated executive officers (or three most highly-compensated individuals acting in a similar capacity), other than the CEO and the CFO, whose total compensation was more than \$150,000 in the Corporation's last fiscal year (each a "Named Executive Officer" and collectively the "Named Executive Officers"). This section addresses the Corporation's philosophy and objectives and provides a review of the process that the Compensation and Corporate Governance Committee follows in deciding how to compensate the Named Executive Officers. This section also provides discussion and analysis of the Compensation and Corporate Governance Committee's specific decisions about the compensation of the Named Executive Officers for the fiscal year ended March 31, 2016. The Corporation had five Named Executive Officers during the fiscal year ended March 31, 2016, namely Claude Mc Master, President and Chief Executive Officer, Luc Audet, Chief Financial Officer, Philippe Roy, Chief Business Development Officer, Robert Desautels, Senior Vice-President, Technology, Strategy and Operations, and Sébastien Mailhot, Senior Vice-President, Corporate Development and Operations.

### Compensation Committee

As at the date hereof, the Compensation and Corporate Governance Committee is composed of three directors, namely Louis P. Bernier, Jean Lamarre and Sylvain Lafrance. Messrs. Bernier, Lamarre and Lafrance are independent within the meaning of National Instrument 52-110 *Audit Committees*. The Board of Directors believes that the Compensation and Corporate Governance Committee has the knowledge, experience and required background to fulfill its mandate, and each member of the Compensation and Corporate Governance Committee has direct experience that is relevant to his or her responsibilities in executive compensation. In particular, Louis P. Bernier is a partner at Fasken Martineau DuMoulin LLP, a law firm, where he specializes in labour, employment, public and constitutional law. Mr. Bernier is also a member of the International Society for Labour and Social Security Law and a member of the board of directors and executive committee of the Fédération des chambres de commerce du Québec, where he serves as chairman of the labour committee; Jean Lamarre served as Executive Chairman of the Board of Directors of Semafo Inc. and is now Chairman of the Board of Directors. He is also the Chairman of the Board of *Télé-Québec*, the daily newspaper *Le Devoir*, and Arianne Phosphate Inc., and sits on the Board of Directors of, among others, TSO3 Inc.; Sylvain Lafrance has been Executive Vice-President, French Services of CBC, is a member of the Order of Canada, sits on the Boards of Directors of the Société des alcools du Québec, Victoria Square Group and the Orchestre Symphonique de Montréal and is Chairman of the Québec Film and Television Council. These collective skills and vast experience allow the Compensation and Corporate Governance Committee to make decisions affecting the relevance of policies and practices regarding the Corporation's compensation.

The mandate of the Compensation and Corporate Governance Committee is to annually review and make recommendations to the Board of Directors with respect to the Corporation's compensation and benefit programs for the Named Executive Officers and directors as well as other members of senior management of the Corporation, including base salaries, bonuses and stock option grants. In the assessment of the annual compensation of the Named Executive Officers, the Compensation and Corporate Governance Committee consults with senior management to develop, recommend and implement compensation philosophy and policy. The Compensation and Corporate Governance Committee also takes into consideration the competitiveness of the

compensation packages offered to the Named Executive Officers. Compensation decisions are usually made in the first quarter of a fiscal year, in respect of performance achieved in the prior fiscal year.

### **Comparative Group and External Compensation Consultant**

To ensure the competitiveness of the compensation offered to the Named Executive Officers and other senior executives of the Corporation, the Compensation and Corporate Governance Committee may retain, from time to time, the services of executive compensation consultants to provide advice on executive compensation.

During the fiscal year ended March 31, 2015, the Compensation and Corporate Governance Committee retained the services of Hexarem Inc. (“**Hexarem**”) to provide a benchmarking analysis and to advise the Corporation on the competitiveness and appropriateness of compensation programs offered to its executives. Hexarem reported to the Chairman of the Compensation and Corporate Governance Committee and provided input on the philosophy and competitiveness of the incentive plan design and award values of the Corporation’s executive and director-compensation programs. During the fiscal year ended March 31, 2014, the Corporation did not retain the services of executive compensation consultants to provide advice on executive compensation to the Compensation and Corporate Governance Committee or the Board of Directors.

The Compensation and Corporate Governance Committee used executive-compensation analyses prepared by Hexarem to position the Corporation’s compensation programs in the context of the market. Although the Compensation and Corporate Governance Committee may rely on information and advice obtained from consultants such as Hexarem, all decisions with respect to executive compensation are made by the Board of Directors upon recommendation of the Compensation and Corporate Governance Committee and may reflect factors and considerations that differ from information and recommendations provided by such consultants, such as merit and the need to retain high-performing executives.

As part of the review process, the Compensation and Corporate Governance Committee conducted an analysis to examine and compare the Corporation’s compensation programs with a group of comparable companies to ensure the competitiveness and reasonableness of the compensation offered. In the 2015 fiscal year, the Corporation’s compensation levels and practices were compared to those of eight companies (collectively, the “**Comparative Group**”), including companies with market capitalization, revenues and financial performance comparable to those of the Corporation, taking into consideration the size of the Corporation, the geographic markets in which it operates and the responsibilities of its executive officers. The Comparative Group is comprised of the following companies:

COMPARATIVE GROUP			
BSM Technologies Inc.	GuestLogix Inc.	Lumenpulse Inc.	Mediagrif Interactive Technologies Inc.
NexJ Systems Inc.	QHR Corporation	Symbility Solutions Inc.	TECSYS Inc.

### **Compensation Program Philosophy and Objectives**

#### *Philosophy*

The Corporation’s executive compensation philosophy and program objectives are directed primarily by two guiding principles. First, the program is intended to provide competitive levels of compensation, at expected levels of performance, in order to attract, motivate and retain talented executives. Second, the program is intended to create an alignment of interests between the Corporation’s executives and shareholders, so that a significant portion of each executive’s compensation is linked to maximizing shareholder value. In support of this philosophy, the executive compensation program is designed to reward performance that is directly relevant to the Corporation’s short-term and long-term success. The Corporation attempts to provide both short-term and long-term incentive compensation that varies based on corporate and individual performance.

#### *Purpose*

The Corporation’s executive compensation program has been designed to accomplish the following long-term objectives:

- (a) create a proper balance between building shareholder wealth and competitive executive compensation while maintaining good corporate governance;
- (b) produce long-term, positive results for the Corporation’s shareholders;

- (c) align executive compensation with corporate performance and appropriate peer group comparisons; and
- (d) provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the executive talent necessary to be successful.

### **Compensation Process**

The executive compensation program is administered by the Compensation and Corporate Governance Committee. The Corporation adopted a formal policy with respect to the remuneration of its Named Executive Officers in March 2009. The Compensation and Corporate Governance Committee has the authority to retain independent consultants to advise it on compensation matters.

### **Components of Executive Compensation**

The Corporation's executive compensation program is structured into three main components: base salary, annual incentives (bonuses) and long-term incentives, including stock options ("**Options**") granted pursuant to the Corporation's 2011 Stock Option Plan, which was replaced by the new 2015 Stock Option Plan of the Corporation, restricted share units ("**RSU**") granted pursuant to the restricted share unit plan (the "**RSU Plan**") adopted by the Board of Directors on June 21, 2016 and deferred share units ("**DSU**") granted pursuant to the deferred share unit plan (the "**DSU Plan**") adopted by the Board of Directors on June 21, 2016. The following discussion describes the Corporation's executive compensation program by component of compensation and discusses how each component relates to the Corporation's overall executive compensation objective. In establishing the executive compensation program, the Corporation believes that:

- (a) base salaries provide an immediate cash incentive for the Named Executive Officers and should be at levels competitive with peer companies that compete with the Corporation for business opportunities and executive talent;
- (b) annual incentive bonuses encourage and reward performance over the fiscal year compared to predefined goals and objectives and reflect progress toward company-wide performance objectives and personal objectives; and
- (c) Options, RSUs and DSUs ensure that the Named Executive Officers are motivated to achieve long-term growth of the Corporation and continuing increases in shareholder value, and provide capital accumulation linked directly to the Corporation's performance.

The Corporation places equal emphasis on base salary and Options, RSUs and DSUs as short-term and long-term incentives, respectively. Annual incentive bonuses are related to performance and may form a greater or lesser part of the entire compensation package in any given year.

#### *Base Salaries*

The Named Executive Officers receive a base salary which is based primarily on the level of responsibility of the position, qualifications and experience of the officer and market conditions.

The base salaries of the Named Executive Officers are reviewed annually to ensure they take into account the following factors: market and economic conditions, levels of responsibility and accountability of each Named Executive Officer, skill and competencies of the Named Executive Officer, retention considerations and level of demonstrated performance.

Base salaries, including that of the CEO, are reviewed by the Compensation and Corporate Governance Committee on the basis of its opinion as to a fair and responsible compensation package, taking into account the contribution of the CEO to the Corporation's long-term growth and the knowledge of the members of the Compensation and Corporate Governance Committee of remuneration practices in Canada.

#### *Variable Cash Incentive Awards – Bonuses*

The Compensation and Corporate Governance Committee's philosophy with respect to Named Executive Officer bonuses is to align the payment of bonuses with the performance of the Corporation, based on predefined goals and objectives established by the Compensation and Corporate Governance Committee and management and the relative contribution of each of the

executive officers, including the CEO, to that performance. During the fiscal year ended March 31, 2016, the Compensation and Corporate Governance Committee approved the payment of an aggregate of \$755,200 in bonuses to the Named Executive Officers. For fiscal 2016, bonuses were determined by the Compensation and Corporate Governance Committee on the basis of a combination of two elements: (i) the progress achieved in respect of the projects, targets and financial performance-related objectives of the Corporation, as well as the implementation of the business plan and various strategies, such as the attainment of sales, production cost-cutting, technology deployment and brand-recognition objectives; and (ii) the Named Executive Officer's individual contribution to the foregoing positive results.

The following table sets out the personal and corporate objectives for each of the Named Executive Officers for the fiscal year ended March 31, 2016, expressed as a percentage of base salary:

NAME AND PRINCIPAL OCCUPATION	PERCENTAGE OF BASE SALARY AS BONUS	PERSONAL OBJECTIVES (40%)	CORPORATE OBJECTIVES (60%)
Claude Mc Master President and Chief Executive Officer	67%	<ul style="list-style-type: none"> <li>Identify and establish key strategies in every market of the business;</li> <li>Evaluate key personnel, establish a succession plan, determine the human resources strategic needs and priorities;</li> <li>Maintain strategic relationships with the investment community.</li> </ul>	<ul style="list-style-type: none"> <li>Increase global sales of the Corporation; and</li> <li>Achieve an appropriate level of adjusted EBITDA<sup>(1)</sup>, taking into account opportunities that arise during the year.</li> </ul>

NAME AND PRINCIPAL OCCUPATION	PERCENTAGE OF BASE SALARY AS BONUS	PERSONAL OBJECTIVES (20%)	CORPORATE OBJECTIVES (80%)
Luc Audet Chief Financial Officer	30%	<ul style="list-style-type: none"> <li>Select, establish and communicate to management all key performance indicators, and communicate to management and the board of directors all budget variations;</li> <li>Liaise with the financial community;</li> <li>Identify ways to reduce expenses.</li> </ul>	<ul style="list-style-type: none"> <li>Increase global sales of the Corporation; and</li> <li>Achieve an appropriate level of adjusted EBITDA<sup>(1)</sup>, taking into account opportunities that arise during the year.</li> </ul>
Philippe Roy Chief Business Development Officer	45%	<ul style="list-style-type: none"> <li>Increase sales in the commercial theatre sub-market;</li> <li>Increase presence in Asian markets.</li> </ul>	
Robert Desautels Senior Vice-President, Technology, Strategy and Operations	30%	<ul style="list-style-type: none"> <li>Establish a corporate balanced scorecard based on measurable and relevant key performance indicators;</li> <li>Optimize customer support and supply chain.</li> </ul>	
Sébastien Mailhot Senior Vice-President, Corporate Development and Operations	30%	<ul style="list-style-type: none"> <li>Implementation of a corporate dashboard and relevant key performance indicators;</li> <li>Identify priority growth segments, business strategies and opportunities to maximize shareholder value;</li> <li>Optimize the corporate structure and production.</li> </ul>	

(1) EBITDA means net income before items not affecting cash, foreign exchange gain or loss, financial expenses, interest income and income taxes.

#### *Long-Term Incentive Plans*

The Corporation provides long-term incentive compensation to the Named Executive Officers through the 2015 Stock Option Plan, the RSU Plan and DSU Plan.

#### *2015 Stock Option Plan*

The Corporation provides long-term incentive compensation to its Named Executive Officers through the 2015 Stock Option Plan (the “**2015 Plan**”). The Compensation and Corporate Governance Committee recommends the granting of Options from

time to time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Corporation, its current stage of development, the need to retain or attract particular key personnel, the number of Options already outstanding and overall market conditions. The Compensation and Corporate Governance Committee views the granting of Options as a means of promoting the success of the Corporation and higher returns to its shareholders. As such, the Compensation and Corporate Governance Committee does not grant Options in excessively dilutive numbers or at exercise prices not reflective of the Corporation's underlying value. During the fiscal year ended March 31, 2016, the Corporation granted Options to one Named Executive Officer, namely Mr. Sébastien Mailhot, as indicated in the Summary Compensation Table below.

In 1999, the Board of Directors of the Corporation established the 1999 Stock Option Plan (the “**1999 Plan**”) for the directors, officers and employees of, and consultants to, the Corporation and its subsidiaries. The 1999 Plan was amended from time-to-time, in particular: (i) to ensure that the maximum number of Class A common shares that may be issued under the 1999 Plan was equal to 10% of the total number of issued and outstanding Class A common shares, and (ii) to extend the maximum term of Options that may be granted under the 1999 Plan to ten years. On June 16, 2011, the Board of Directors repealed the 1999 Plan and adopted the 2011 Stock Option Plan (the “**2011 Plan**”), which was approved by the shareholders of the Corporation at the annual and special meeting of shareholders held on August 24, 2011. All of the Options that were granted under the 1999 Plan and were outstanding as at August 24, 2011 were carried over to the 2011 Plan. On June 18, 2015, the Board of Directors repealed the 2011 Plan and adopted the 2015 Plan, which was approved by the shareholders of the Corporation at the annual and special meeting of shareholders held on August 12, 2015. All of the Options that were granted under the 2011 Plan and were outstanding as at August 12, 2015 were carried over to the 2015 Plan.

The following is a description of certain features of the 2015 Plan, as required by the Toronto Stock Exchange:

- (i) the Board of Directors of the Corporation may grant Options to employees, officers and directors of, and consultants to, the Corporation and its subsidiaries;
- (ii) the maximum number of Class A common shares in respect of which Options may be outstanding under the 2015 Plan and under all of the Corporation's other share-based compensation agreements cannot exceed ten percent of the issued and outstanding Class A common shares of the Corporation at that time;
- (iii) no Option may be granted to any optionee under the 2015 Plan unless the aggregate number of Class A common shares: (a) issued to “insiders” of the Corporation within any one-year period; and (b) issuable to “insiders” of the Corporation at any time under the 2015 Plan or combined with all other share-based compensation agreements of the Corporation, does not exceed ten percent of the total number of issued and outstanding Class A common shares;
- (iv) the exercise price of Options is determined by the Board of Directors at the time the Options are granted, but may not be less than the weighted-average trading price of the Class A common shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the day on which an Option is granted;
- (v) at the time of granting an Option, the Board of Directors, in its discretion, may set a “vesting schedule”, that is, one or more dates from which an Option may be exercised in whole or in part. In such event, the Board of Directors will not be under any obligation to set a “vesting schedule” in respect of any other Option granted under the 2015 Plan. If the Board of Directors does not set a “vesting schedule” at the time of granting an Option, the Option will be deemed to vest over a period of 36 months in three equal instalments, with one-third of the Option vesting at twelve-month intervals;
- (vi) Options expire on the date set by the Board of Directors at the time the Options are granted, which date may not be more than ten years after the grant date. Nonetheless, if an Option expires during a period in which the Corporation has prohibited an optionee from trading shares under policies it has adopted (a “**Blackout Period**”), or within ten business days from the expiration of a Blackout Period, the term of the Option will be automatically extended for a period of ten business days immediately following the Blackout Period (the “**Extension due to a Blackout Period**”);
- (vii) Options are not transferable, other than by will or the laws of succession of the domicile of the deceased optionee;

- (viii) if an optionee's employment or service-provider relationship with the Corporation is terminated for "serious reason", any Options not then exercised terminate immediately;
- (ix) if an optionee dies, Options may be exercised by the person to whom they are transferred by will or the laws of succession only for that number of Class A common shares which the optionee was entitled to acquire at the time of death, for a period of one year after the date of death or prior to the expiration of the term of the Option, whichever occurs earlier;
- (x) if an optionee becomes, in the determination of the Board of Directors, permanently disabled, Options may be exercised only for that number of Class A common shares which the optionee was entitled to acquire at the time of permanent disability, for a period of one year after the date of permanent disability or prior to the expiration of the term of the Option, whichever occurs earlier;
- (xi) upon an optionee's employment, office, directorship or service-provider relationship with the Corporation terminating or ending other than by reason of death, permanent disability or termination for "serious reason", Options may be exercised for that number of Class A common shares which the optionee was entitled to acquire at the time of such termination, for a period of 90 days after such date or prior to the expiration of the term of the Option, whichever occurs earlier;
- (xii) upon an optionee's employment, office or directorship with, or provision of services to, the Corporation being terminated as a result of the resignation of the optionee, any Option or unexercised part thereof granted to such optionee may be exercised only for that number of Class A common shares which the optionee was entitled to acquire under the Option at the time of such termination. Such Option will be exercisable within 30 days after such termination or prior to the expiration of the term of the Option, whichever occurs earlier;
- (xiii) the 2015 Plan does not offer optionees financial assistance from the Corporation;
- (xiv) in the event the Corporation proposes to amalgamate, merge or consolidate with or into any other company (other than with a wholly-owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Class A common shares of the Corporation or any part thereof is made to all holders of Class A common shares of the Corporation (other than the offeror or offerors), the Corporation will have the right, upon written notice thereof to each optionee holding Options under the 2015 Plan, to determine, in the Corporation's sole discretion, that all Options held by such optionees may be exercised, section 6.1(c) of the 2015 Plan notwithstanding, within the 20-day period next following the date of such notice, and that upon the expiry of such 20-day period, all rights of optionees to Options under the 2015 Plan or to exercise same (to the extent not theretofore exercised) will terminate and that all such Options will cease to have further force or effect whatsoever;
- (xv) the Board of Directors may, by resolution, advance the date on which any Option may be exercised in a manner to be set forth in such resolution. The Board of Directors will not, in the event of any such advancement, be under any obligation to advance the date on or by which any Option may be exercised by any other optionee;
- (xvi) the Board of Directors may, by resolution, but subject to applicable regulatory requirements, decide that any of the provisions of the 2015 Plan concerning the effect of termination of the optionee's employment will not apply for any reason acceptable to the Board of Directors;
- (xvii) the approval of the shareholders of the Corporation is required for the following amendments to the 2015 Plan: (a) amendments to the number of Class A common shares that may be issued under the 2015 Plan, including an increase in the maximum percentage or in the number of shares; (b) any amendment to the 2015 Plan serving to lengthen the Extension due to a Blackout Period; (c) any amendment designed to reduce the exercise price or purchase price of an Option held by an "insider" of the Corporation; (d) any amendment extending the term of an Option held by an "insider" of the Corporation beyond the initial expiration date, unless authorization to the contrary is provided for under the 2015 Plan; (e) amendments that must be approved by shareholders under applicable laws (in particular, the rules, regulations and policies of the Toronto Stock Exchange);

- (xviii) the Board of Directors of the Corporation may make the following types of amendments to the 2015 Plan without obtaining the approval of the shareholders of the Corporation: (a) amendments of an “administrative” nature, namely any modification in respect of internal management or administrative amendments, in particular, without limiting the generality of the foregoing, any amendment designed to correct an ambiguity, error or omission in the 2015 Plan or to correct or add to a provision of the 2015 Plan that is incompatible with another provision of the 2015 Plan; (b) amendments necessary to ensure compliance with applicable laws (in particular, the rules, regulations and policies of the Toronto Stock Exchange); (c) amendments required so that Options are eligible for more favourable treatment under applicable tax legislation; (d) any amendment relating to the administration of the 2015 Plan; (e) any amendment to the vesting provisions of the 2015 Plan or an Option, it being understood that in case of an amendment to the vesting provision of an Option, the Board of Directors is not required to amend the vesting terms and conditions of any other Option; (f) any amendment designed to reduce the exercise price or purchase price of an Option held by an optionee who is not an “insider” of the Corporation; (g) any amendment to the provisions in respect of early termination of the 2015 Plan or an Option, whether or not such Option is held by an “insider” of the Corporation and provided such amendment does not result in an extension of the period beyond the initial expiration date; (h) the addition of a form of financial assistance offered by the Corporation for the acquisition of Class A common shares under the 2015 Plan by all or some categories of eligible participants and the subsequent amendment of such provisions; (i) the addition or amendment of a “cashless” exercise provision; (j) amendments required to suspend or terminate the 2015 Plan; and (k) any other amendment, whether fundamental or not, that does not require the approval of the shareholders under applicable laws;
- (xix) if the Corporation is required under the *Income Tax Act* (Canada) or another applicable law to remit an amount to a government authority as income tax on the value of a taxable benefit associated with the exercise of an Option by an optionee, the optionee, upon the exercise of an Option, must, as the case may be:
- (a) pay the Corporation, in addition to the Option exercise price, sufficient cash, as determined by the Corporation in its sole discretion, in order to finance the required tax remittance;
  - (b) authorize the Corporation, on behalf of the optionee, to sell on the market, according to the terms and conditions and at the times determined by the Corporation in its sole discretion, the portion of the Class A common shares to be issued upon exercise of the Option sufficient to generate cash proceeds to finance the required tax remittance; and
  - (c) take other measures that the Corporation deems acceptable, in its sole discretion, to finance the required tax remittance.

#### *RSU Plan*

The Board of Directors adopted the RSU Plan in June 2016. The RSU Plan forms part of the Corporation’s long-term incentive compensation arrangements available for its Named Executive Officers, other officers and key employees, and consultants to the Corporation. The Board of Directors is responsible for the administration of the RSU Plan; however, the Board of Directors may, to the extent permitted by applicable law, delegate the administration of the RSU Plan to the Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee makes recommendations to the Board of Directors in relation to the RSU Plan and awards of RSUs.

Each RSU entitles the participant to receive, at the Corporation’s discretion, one Class A common share, its cash equivalent or a combination of the foregoing. RSUs vest at the end of three years, unless determined otherwise by the Board of Directors or the Compensation and Corporate Governance Committee, provided the executive, employee or consultant is still employed or providing services on the third anniversary of the date of grant, and conditional upon all vesting conditions set by the Board of Directors, if any, being achieved.

Subject to the foregoing, or unless otherwise provided in a particular RSU grant letter, in the event of the:

- (i) death of the participant, all unvested RSUs credited to the participant will vest on the date of the participant’s death. The Class A common shares underlying the RSUs credited to the participant’s account will be

delivered, or their cash equivalent will be paid, to the participant's estate as soon as administratively possible but in no event later than the expiry date of the RSUs;

- (ii) long-term disability, as such term is defined in the RSU Plan, of the participant, all unvested RSUs credited to the participant will vest on a date determined by the Compensation and Corporate Governance Committee, which will be within 60 days following the date on which the participant is determined to be totally disabled, and the Class A common shares underlying such RSUs credited to the participant's account will be delivered, or their cash equivalent paid, to the participant as soon as administratively possible but in no event later than the expiry date of the RSUs;
- (iii) retirement, as such term is defined in the RSU Plan, of the participant, all of the unvested RSUs credited to the participant as of the retirement date will vest on the retirement date and the Class A common shares underlying the RSUs credited to the participant's account will be delivered, or their cash equivalent paid, to the participant as soon as administratively possible but in no event later than the expiry date of the RSUs;
- (iv) termination, as such term is defined in the RSU Plan, of a participant without serious reason, within the meaning of the *Civil Code of Québec*, all of the unvested RSUs credited to the participant as of the date of termination will vest on the date of termination, and the Class A common shares underlying the RSUs credited to the participant's account will be delivered, or their cash equivalent paid, to the participant as soon as is administratively possible but in no event later than the expiry date of the RSUs; and
- (v) termination of a participant for serious reason within the meaning of the *Civil Code of Québec* or the resignation of a participant prior to the participant's entitlement date, then, except as may be provided for in the RSU grant letter or as determined by the Board of Directors or the Compensation and Corporate Governance Committee, all of the vested RSUs and unvested RSUs credited to the participant as of the date of termination will be forfeited by the participant and will be of no further force and effect as of the date of termination, and no payment will be made by the Corporation to such participant.

The Board of Directors or the Compensation and Corporate Governance Committee may in its sole discretion permit, at any time prior to or following the events contemplated above, the vesting of any or all RSUs held by a participant in the manner and on the terms authorized by the Board of Directors or the Compensation and Corporate Governance Committee.

In the event that a cash dividend is declared and paid by the Corporation on its Class A common shares, a participant under the RSU Plan will be credited with additional RSUs. The number of such additional RSUs will be calculated by dividing (a) the total amount of the dividends that would have been paid to the participant if the RSUs held in the Participant's account on the dividend record date had been outstanding Class A common shares, by (b) the volume-weighted average trading price of the Class A common shares on the Toronto Stock Exchange for the five trading days preceding the date on which such dividends are paid. Any additional RSUs so credited will vest on the entitlement date of the RSUs to which the additional RSUs relate.

Settlement of the RSUs is effected following the participant's entitlement date by: (i) delivering Class A common shares acquired in the open market; (ii) making a cash payment equal to the number of RSUs multiplied by the volume-weighted average trading price of the Class A common shares on the Toronto Stock Exchange for the five trading days preceding the entitlement date, or (iii) a combination of the foregoing.

RSUs expire on the date that is five business day preceding December 31 of the third calendar year following the year in which the participant was awarded such RSUs.

Under the RSU Plan, the Board of Directors may at any time amend, suspend or terminate the RSU Plan, in whole or in part, provided that such action does not adversely alter or impair any RSU previously granted except as permitted by the terms of the RSU Plan. RSUs granted under the RSU Plan are not assignable or transferable, other than by will or the laws of succession of the domicile of the deceased participant.

During the fiscal year ended March 31, 2016, the Corporation did not grant any RSUs pursuant to the RSU Plan.

## *DSU Plan*

The Board of Directors adopted a Deferred Share Unit Plan (the “**DSU Plan**”) in June 2016, which forms part of the Corporation’s long-term incentive compensation arrangements available for Named Executive Officers and the independent directors of the Corporation. The DSU Plan is designed to further align the interests of the Named Executive Officers and the independent directors of the Corporation with those of the shareholders by providing a mechanism to receive incentive compensation in the form of equity. The Board of Directors is responsible for the administration of the DSU Plan; however, the Board of Directors may, to the extent permitted by applicable law, delegate the administration of the DSU Plan to the Compensation and Corporate Governance Committee.

DSUs have the same value as Class A common shares. At the time of granting DSUs, the Board of Directors, at its discretion, may set vesting conditions. In such event, the Board of Directors is not under any obligation to set any vesting conditions in respect of any other DSUs granted.

In the event that a cash dividend is declared and paid by the Corporation on its Class A common shares, a participant under the DSU Plan will be credited with additional DSUs. The number of such additional DSUs will be calculated by dividing (i) the total amount of the dividends that would have been paid to the participant if the DSUs held in the Participant’s account on the dividend record date had been outstanding Class A common shares, by (ii) the volume-weighted average trading price of the Class A common shares on the Toronto Stock Exchange for the five trading days preceding the date on which such dividends are paid. Any additional DSUs credited to a participant’s account following a dividend will vest immediately on the date credited.

Holders of DSUs cannot settle their DSUs while they are members of the Board of Directors or an officer, employee or consultant of the Corporation. Once a holder ceases to be a member of the Board of Directors or an officer, employee or consultant of the Corporation, the Corporation will settle the DSUs by: (i) delivering Class A common shares acquired in the open market; (ii) making a cash payment equal to the number of DSUs multiplied by the volume-weighted average trading price of the Class A common shares on the Toronto Stock Exchange for the five trading days preceding the date on which a participant ceased to be a director, officer, employee or consultant of the Corporation; or (iii) a combination of the foregoing.

The Board of Directors or the Compensation and Corporate Governance Committee, as applicable, may determine, in its sole discretion, to extend the settlement date of any DSUs held by a participant by a period ending not more than ten business days preceding December 31 of the year following the year in which the participant ceased to be a director, officer or employee of the Corporation.

Under the DSU Plan, the Board of Directors may at any time amend, suspend or terminate the DSU Plan, in whole or in part, provided that such action does not adversely alter or impair any DSU previously granted except as permitted by the terms of the DSU Plan. DSUs granted under the DSU Plan are not assignable or transferable, other than by will or the laws of succession of the domicile of the deceased participant.

## **Group Benefits/Perquisites**

The officers of the Corporation have the option to benefit from life, medical and long-term disability insurance. None of the officers benefits from any retirement plan. All such benefits are also offered to the Corporation’s employees.

## **Executive Compensation-Related Fees**

### *Executive Compensation-Related Fees*

“Executive Compensation-Related Fees” consist of fees for professional services billed by each consultant or advisor, or any of its affiliates, that are related to determining compensation for any of the Corporation’s directors and executive officers. Hexarem inc. billed the Corporation \$13,905 in the fiscal year ended March 31, 2016, and \$14,500 in the fiscal year ended March 31, 2015, in Executive Compensation-Related fees.

### All Other Fees

“All Other Fees” consist of fees for services that are billed by each consultant or advisor mentioned above and which are not reported under “Executive Compensation-Related Fees”. The Corporation was not billed for any other fees during the fiscal year ended March 31, 2016 or during the fiscal year ended March 31, 2015.

### Assessment of Risks Associated with the Corporation’s Compensation Policies and Practices

The Compensation and Corporate Governance Committee has assessed the Corporation’s compensation plans and programs for its executive officers to ensure alignment with the Corporation’s business plan and to evaluate the potential risks associated with those plans and programs. The Compensation and Corporate Governance Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation.

The Compensation and Corporate Governance Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Corporation has not adopted a policy restricting its Named Executive Officers or directors from purchasing financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its Named Executive Officers or directors. To the knowledge of the Corporation, none of the Named Executive Officers or directors has purchased such financial instruments.

### Summary of the Compensation of the Named Executive Officers

The following table sets out information for the fiscal years ended March 31, 2016, 2015 and 2014 regarding compensation paid to or earned by the Named Executive Officers:

**Summary Compensation Table**

Name and Principal Occupation	Year	Salary <sup>(1)</sup> (\$)	Share-Based Awards <sup>(2)</sup> (\$)	Option-Based Awards <sup>(3)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value <sup>(5)</sup> (\$)	All other Compensations <sup>(6)</sup> (\$)	Total Compensation <sup>(7)</sup> (\$)
					Annual Incentive Plans <sup>(4)</sup>	Long-Term Incentive Plans			
Claude Mc Master President and Chief Executive Officer	2016	338,250	-	-	449,290	-	-	3,295	790,835
	2015	330,000	-	-	135,300	-	-	3,021	468,321
	2014	280,000	-	381,106	107,800	-	-	3,980	772,886
Luc Audet Chief Financial Officer	2016	200,000	-	-	67,800	-	-	3,885	271,685
	2015	195,000	-	-	48,555	-	-	3,802	247,357
	2014	190,000	-	73,006	45,600	-	-	4,851	313,457
Philippe Roy Chief Business Development Officer	2016	230,000	-	-	120,060	-	-	-	350,060
	2015	220,000	-	-	83,160	-	-	-	303,160
	2014	210,000	-	46,840	73,710	-	-	-	330,550

Name and Principal Occupation	Year	Salary <sup>(1)</sup> (\$)	Share-Based Awards <sup>(2)</sup> (\$)	Option-Based Awards <sup>(3)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value <sup>(5)</sup> (\$)	All other Compensations <sup>(6)</sup> (\$)	Total Compensation <sup>(7)</sup> (\$)
					Annual Incentive Plans <sup>(4)</sup>	Long-Term Incentive Plans			
Robert Desautels Senior Vice-President, Technology, Strategy and Operations	2016	200,000	-	-	67,200	-	-	-	267,200
	2015	176,925	-	-	35,775	-	-	-	212,700
	2014	156,308	-	41,274	28,000	-	-	-	225,582
Sébastien Mailhot <sup>(8)</sup> Senior Vice-President, Corporate Development and Operations	2016	97,000	-	42,647	50,850	-	-	-	190,497

(1) This column discloses the actual salary earned during the fiscal year indicated.

(2) The Corporation did not have a share-based compensation plan at the end of the fiscal year ended March 31, 2016.

(3) This column discloses the total value of Options at the time of grant. **These figures do not reflect the current value of the Options or the value, if any, that may be realized if and when the Options are exercised.** The value of the option awards was calculated using the Black-Scholes option-pricing model using the same assumptions used for determining the equity-based compensation expense in the Corporation's financial statements for the fiscal years ended March 31, 2016, 2015 and 2014 in accordance with International Financial Reporting Standards 2 ("IFRS 2"). These assumptions are:

	Fiscal year 2016	Fiscal year 2015	Fiscal year 2014			
	July 2, 2015		April 11, 2013	August 14, 2013	December 23, 2013	December 23, 2013
Exercise price:	\$0.33	—	\$0.19	\$0.20	\$0.18	\$0.23
Risk-free interest rate:	1.087%	—	1.31%	2.01%	1.94%	1.94%
Expected life of Options:	6.1 years	—	5.6 years	5.7 years	5.8 years	5.8 years
Expected volatility factor:	80.11%	—	95.3%	93.7%	89.0%	89.0%
Dividend yield:	0%	—	0%	0%	0%	0%
Forfeiture rate:	3.62%	—	3.83%	4.05%	3.94%	3.94%
Fair value of granted Options:	\$0.21	—	\$0.14	\$0.14	\$0.13	\$0.12

The Black-Scholes model was selected by the Corporation as it is the most widely-adopted and used option-valuation method.

(4) The amounts disclosed in the column are granted as annual cash bonuses and are attributable in the fiscal year indicated.

(5) The Corporation does not have a retirement plan.

(6) The amounts shown in the column represent compensation for private insurance premiums.

(7) **The total compensation value does not represent the real cash compensation earned by the Named Executive Officer during these fiscal years.**

(8) Mr. Mailhot joined the Corporation in July 2015 and was appointed Senior Vice-President, Strategic Alliances and Corporate Development.

The total compensation of the Named Executive Officers, as shown in the Summary Compensation Table, consists, in part, of Options that have a value which does not constitute a cash amount received by the Named Executive Officers. The amounts attributed to Options are at risk and the Options may ultimately have no value.

## Incentive Plan Awards

The following table sets out the details of all Options held by the Named Executive Officers as at March 31, 2016:

Name	Option-Based Awards				Share-Based Awards <sup>(2)</sup>	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares That Have not Vested (#)	Market or Payout Value of Share-based Awards That Have not Vested <sup>(2)</sup> (\$)
Claude Mc Master	1,417,800	0.42	March 25, 2020	212,670	n/a	n/a
	555,911	0.38	July 14, 2020	105,623		
	1,500,000	0.65	April 19, 2021	—		

Name	Option-Based Awards				Share-Based Awards <sup>(2)</sup>	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares That Have not Vested (#)	Market or Payout Value of Share-based Awards That Have not Vested <sup>(2)</sup> (\$)
	150,000	0.28	April 19, 2022	43,500		
	900,000	0.19	April 11, 2023	342,000		
	777,534	0.18	December 23, 2023	303,238		
	1,250,000	0.23	December 23, 2023	425,000		
Luc Audet	302,550	0.42	March 25, 2020	45,383	n/a	n/a
	400,000	0.65	April 19, 2021	—		
	100,000	0.28	April 19, 2022	29,000		
	250,000	0.19	April 11, 2023	95,000		
	200,000	0.18	December 23, 2023	78,000		
	100,000	0.23	December 23, 2023	34,000		
Philippe Roy	302,550	0.42	March 25, 2020	45,383	n/a	n/a
	400,000	0.65	April 19, 2021	—		
	100,000	0.28	April 19, 2022	29,000		
	250,000	0.19	April 11, 2023	95,000		
	100,000	0.23	December 23, 2023	34,000		
Robert Desautels	300,000	0.19	April 11, 2023	114,000	n/a	n/a
Sébastien Mailhot	200,000	0.33	July 2, 2025	48,000	n/a	n/a

(1) This column sets out the aggregate value of in-the-money unexercised options as at March 31, 2016, calculated based on the difference between the market price of the Class A common shares underlying the Options as at March 31, 2016 (\$0.57) and the exercise price of the Options.

(2) The Corporation did not have a share-based compensation plan at the end of the fiscal year ended March 31, 2016.

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

The following table sets out, for each Named Executive Officer, the value of option-based awards and share-based awards which vested during the fiscal year ended March 31, 2016 and the value of non-equity incentive plan compensation earned during the fiscal year ended March 31, 2016:

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Claude Mc Master	119,956	n/a	449,290
Luc Audet	20,333	n/a	67,800
Philippe Roy	7,333	n/a	120,060
Robert Desautels	3,000	n/a	67,200
Sébastien Mailhot	—	n/a	50,850

(1) Calculated based on the difference between the market price of the shares underlying the Options at the vesting date and the exercise price of the Options on such vesting date.

(2) The Corporation did not have a share-based compensation plan at the end of the fiscal year ended March 31, 2016.

### Termination and Change of Control Benefits

#### *Employment Agreement with Claude Mc Master*

The Corporation has entered into an employment agreement for an indeterminate term with Claude Mc Master, President and Chief Executive Officer of the Corporation. In addition to his base salary, Mr. Mc Master is eligible to receive a performance bonus calculated as a percentage of his annual base salary and tied to attaining objectives which are determined on an annual basis. Mr. Mc Master's remuneration is reviewed annually by the Compensation and Corporate Governance Committee of the

Board of Directors. Pursuant to his employment agreement, Mr. Mc Master has given, among other things, a non-disclosure undertaking to the Corporation. In the event of the termination of Mr. Mc Master's employment by the Corporation without reasonable cause, he is entitled to receive payment in an amount equal to two times his compensation, that is, his base salary for the current year plus an amount corresponding to the average of the last two years of bonuses approved by the Board of Directors of the Corporation. In the event of a change of control of the Corporation, Mr. Mc Master is entitled to receive payment in an amount equal to three times his compensation. The amount that would have been payable to Mr. Mc Master if a change of control had taken place on March 31, 2016 is \$1,891,635 and the amount that he would have been entitled to receive if the Corporation had terminated his employment without reasonable cause as at March 31, 2016 is \$1,261,090.

#### *Employment Agreement with Luc Audet*

The Corporation has entered into an employment agreement for an indeterminate term with Luc Audet, Chief Financial Officer of the Corporation. In addition to his base salary, Mr. Audet is eligible to receive a performance bonus calculated as a percentage of his annual base salary and tied to attaining objectives which are determined on an annual basis. Mr. Audet's remuneration is reviewed annually by the Compensation and Corporate Governance Committee of the Board of Directors. Pursuant to his employment agreement, Mr. Audet has given, among other things, a non-disclosure undertaking to the Corporation. In the event of the termination of Mr. Audet's employment by the Corporation without reasonable cause, he is entitled to receive payment in an amount equal to his base salary for the current year plus an amount corresponding to the average of the last two years of bonuses approved by the Board of Directors of the Corporation. In the event of a change of control of the Corporation, Mr. Audet is entitled to receive payment in an amount equal to twice his compensation. The amount that would have been payable to Mr. Audet if a change of control had taken place on March 31, 2016 is \$516,355 and the amount that he would have been entitled to receive if the Corporation had terminated his employment without reasonable cause as at March 31, 2016 is \$258,178.

#### *Employment Agreement with Philippe Roy*

The Corporation has entered into an employment agreement for an indeterminate term with Philippe Roy, Chief Business Development Officer of the Corporation. In addition to his base salary, Mr. Roy is eligible to receive a performance bonus calculated as a percentage of his annual base salary and tied to attaining objectives which are determined on an annual basis. Mr. Roy's remuneration is reviewed annually by the Compensation and Corporate Governance Committee of the Board of Directors. Pursuant to his employment agreement, Mr. Roy has given, among other things, a non-disclosure undertaking to the Corporation. In the event of the termination of Mr. Roy's employment by the Corporation without reasonable cause, he is entitled to receive payment in an amount equal to one and a half times his compensation, that is, his base salary for the current year plus an amount corresponding to the average of the last two years of bonuses approved by the Board of Directors of the Corporation. In the event of a change of control of the Corporation, Mr. Roy is entitled to receive payment in an amount equal to twice his compensation. The amount that would have been payable to Mr. Roy if a change of control had taken place on March 31, 2016 is \$663,220 and the amount that he would have been entitled to receive if the Corporation had terminated his employment without reasonable cause as at March 31, 2016 is \$497,415.

#### *Employment Agreement with Sébastien Mailhot*

The Corporation has entered into an employment agreement for an indeterminate term with Sébastien Mailhot, Vice-President, Corporate Development and Operations of the Corporation. In addition to his base salary, Mr. Mailhot is eligible to receive a performance bonus calculated as a percentage of his annual base salary and tied to attaining objectives which are determined on an annual basis. Mr. Mailhot's remuneration is reviewed annually by the President of the Corporation and Compensation and Corporate Governance Committee of the Board of Directors. Pursuant to his employment agreement, Mr. Mailhot has given, among other things, a non-disclosure undertaking to the Corporation. In the event of the termination of Mr. Mailhot's employment without reasonable cause, including a change of control of the Corporation, he is entitled to receive payment in an amount equal to six (6) months of his base salary and one month of his base salary per completed year of service, with an additional amount corresponding to the average of the last two years of bonuses approved by the Board of Directors of the Corporation, for a maximum amount equal to twelve (12) months of his base salary. The amount that would have been payable to Mr. Mailhot if the Corporation had terminated his employment without reasonable cause as at March 31, 2016, or if a change of control had taken place on March 31, 2016, is \$75,000.

#### *Employment Agreement with Robert Desautels*

The Corporation has entered into an employment agreement for an indeterminate term with Robert Desautels, Senior Vice-President, Technology, Strategy and Operations of the Corporation. In addition to his base salary, Mr. Desautels is eligible to

receive a performance bonus calculated as a percentage of his annual base salary and tied to attaining objectives which are determined on an annual basis. Mr. Desautels' remuneration is reviewed annually by the President of the Corporation and Compensation and Corporate Governance Committee of the Board of Directors. Pursuant to his employment agreement, Mr. Desautels has given, among other things, a non-disclosure undertaking to the Corporation. In the event of the termination of Mr. Desautels' employment without reasonable cause, including a change of control of the Corporation, he is entitled to receive payment in an amount equal to one month of his base salary per year of service completed, with a maximum of twelve months being payable. The amount that would have been payable to Mr. Desautels if the Corporation had terminated his employment without reasonable cause as at March 31, 2016, or if a change of control had taken place on March 31, 2016, is \$50,000.

## Director Compensation

The independent directors of the Corporation are compensated as follows:

- until March 31, 2015, independent directors received Options in respect of 40,000 Class A common shares every year, except the Chairman of the Board who receives Options in respect of 80,000 Class A common shares every year. Options granted to independent directors vest in equal proportions over a three-year period;
- starting during the current fiscal year, independent directors will now receive DSUs that will be awarded every year as part of the Corporation long-term incentive compensation arrangement for its independent directors. The Compensation and Corporate Governance Committee will make recommendations to the Board of Directors on the number of DSUs to be granted yearly to each independent director based on, among other factors, the general market and economic conditions, the performance of the Corporation, the time devoted by the independent directors for their respective roles as director or member of any committee of the Board of Directors, peer group comparisons as well as recruitment, retention and motivation considerations;
- the Chairman of the Board of Directors receives fees in an amount of \$25,000 per year while the other independent directors receive fees of \$11,500 per year;
- the Chair of each Board of Directors' Committee receives fees in an amount of \$8,000 per year; and
- independent directors receive meeting fees of \$1,000 per day for each meeting of the Board of Directors and for each meeting of a Board of Directors' Committee; such amount is reduced to \$750 for meetings in which the director participates by conference call.

During the fiscal year ended March 31, 2016, the Corporation did not grant any Options or DSUs to its independent directors for their services as directors.

The following table sets out the details of the compensation of the independent directors of the Corporation for the fiscal year ended March 31, 2016:

Name	Fees earned <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(3)</sup> (\$)	Non-equity incentive plan compensation <sup>(4)</sup> (\$)	Pension value <sup>(5)</sup> (\$)	All other compensation <sup>(6)</sup> (\$)	Total <sup>(7)</sup> (\$)
Jean Lamarre	36,000	-	-	-	-	-	36,000
Élaine C. Phénix	28,500	-	-	-	-	-	28,500
Louis Brunel <sup>(8)</sup>	9,952	-	-	-	-	-	9,952
Kit Dalaroy	21,750	-	-	-	-	-	21,750
Louis P. Bernier	31,250	-	-	-	-	-	31,250
Sylvain Lafrance	22,250	-	-	-	-	-	22,250
Gary M. Collins	19,750	-	-	-	-	-	19,750
<b>Total</b>	<b>169,452</b>	-	-	-	-	-	<b>169,452</b>

(1) This amount represents the annual fees earned by each of the directors.

(2) The Corporation did not have a share-based compensation plan at the end of the fiscal year ended March 31, 2016.

- (3) This column discloses the total value of Options at the time of grant.
- (4) The Corporation did not have a non-equity incentive plan at the end of the fiscal year ended March 31, 2016.
- (5) The Corporation does not have a pension plan.
- (6) The Corporation does not offer any other type of compensation to the directors.
- (7) **The total compensation value does not represent the real cash compensation earned by the independent director during the fiscal year ended March 31, 2016.**
- (8) Mr. Brunel ceased to be a director of the Corporation at the annual and special meeting of the shareholders of the Corporation held on August 12, 2015.

### Incentive Plan Awards

The following table sets out the details of all Options held by the independent directors of the Corporation as at March 31, 2016:

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-based awards that have not Vested <sup>(2)</sup> (\$)
Jean Lamarre	40,000	0.20	August 14, 2023	14,800	n/a	n/a
	80,000	0.27	August 13, 2024	24,000		
Élaine C. Phénix	100,000	0.47	August 25, 2019	10,000	n/a	n/a
	40,000	0.33	August 24, 2022	9,600		
	40,000	0.20	August 14, 2023	14,800		
	40,000	0.27	August 13, 2024	12,000		
Kit Dalaroy	40,000	0.20	August 14, 2023	14,800	n/a	n/a
	40,000	0.27	August 13, 2024	12,000		
Louis P. Bernier	40,000	0.27	August 13, 2024	12,000	n/a	n/a
Sylvain Lafrance	40,000	0.27	August 13, 2024	12,000	n/a	n/a
Gary M. Collins	40,000	0.25	March 19, 2025	12,800	n/a	n/a

- (1) This column sets out the aggregate value of in-the-money unexercised options as at March 31, 2016, calculated based on the difference between the market price of the Class A common shares underlying the Options as at March 31, 2016 (\$0.57), and the exercise price of the Options.
- (2) The Corporation did not have a share-based compensation plan at the end of the fiscal year ended March 31, 2016.

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

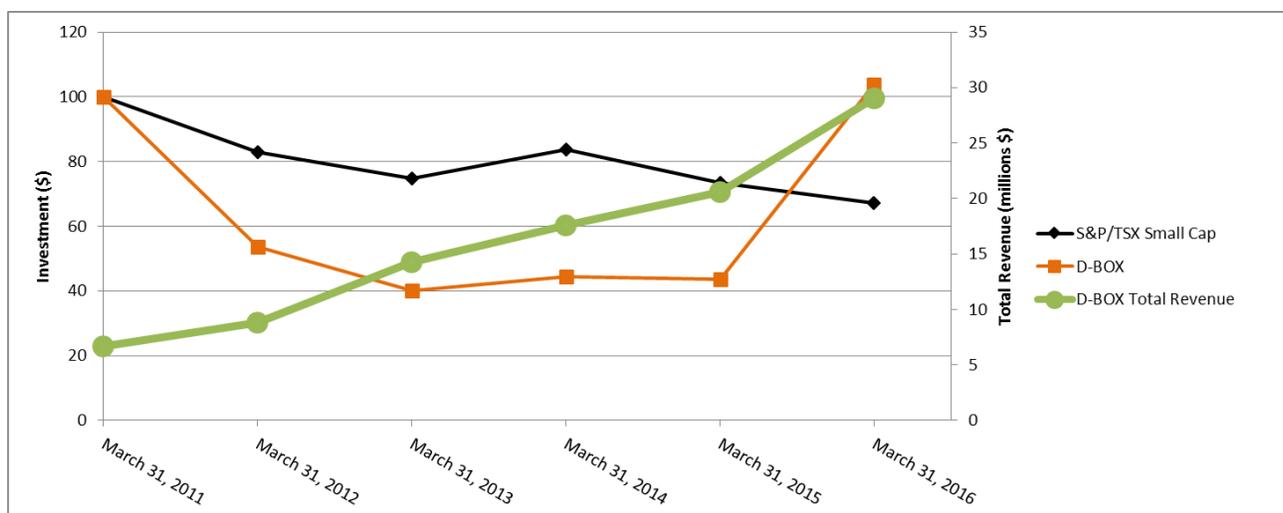
The following table sets out, for each independent director, the value of option-based awards and share-based awards which vested during the fiscal year ended March 31, 2016 and the value of non-equity incentive plan compensation earned during the fiscal year ended March 31, 2016:

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Jean Lamarre	4,400	n/a	n/a
Élaine C. Phénix	3,200	n/a	n/a
Kit Dalaroy	3,200	n/a	n/a
Louis Brunel	-	n/a	n/a
Louis P. Bernier	1,200	n/a	n/a
Sylvain Lafrance	1,200	n/a	n/a
Gary M. Collins	1,867	n/a	n/a

- (1) Calculated based on the difference between the market price of the shares underlying the Options at the vesting date and the exercise price of the Options on such vesting date.
- (2) The Corporation did not have a share-based compensation plan at the end of the fiscal year ended March 31, 2016.

## Performance Graph

The line graph below sets out the cumulative total shareholder return over the five most recently-completed financial years of the Corporation, assuming that \$100 was invested at the closing price on March 31, 2011, compared with the cumulative total return of the same amount invested in the S&P / TSX SmallCap Index since March 31, 2011 (assuming all dividends are reinvested). This graph also illustrates the notable upward trend of the Corporation's total revenue during the same period.



FISCAL ENDED MARCH 31	2011	2012	2013	2014	2015	2016
<b>S&amp;P/TSX SmallCap</b>	\$100	\$82.90	\$74.82	\$83.69	\$73.36	\$67.18
<b>D-BOX</b>	\$100	\$53.64	\$40.00	\$44.55	\$43.64	\$103.64
<b>D-BOX Total Revenue</b>	\$6,685 k	\$8,832 k	\$14,253 k	\$17,593 k	\$20,588 k	\$29,045 k

In the context of the annual performance appraisal for Named Executive Officers, the Compensation and Corporate Governance Committee considers, in particular, market price for shares, sales growth and the adjusted EBITDA of the Corporation (defined as net income before items not affecting cash, foreign exchange gain or loss, financial expenses, interest income and income taxes). Members of the Compensation and Corporate Governance Committee carefully consider, among other factors, financial objectives that are set on an annual basis, the development, over the years, of new products and new markets, and the competitive positioning of the Corporation.

It is also important to note that the trading price depends on several factors that are beyond the Corporation's control, such as investors' perceptions in relation to the future of the Corporation's industry and unfavorable economic conditions, to name only a few.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at March 31, 2016, the end of the Corporation's last fiscal year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of shares remaining available for future issuance under the Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans previously approved by shareholders	15,126,845	\$0.37	2,366,046
Equity compensation plans not previously approved by shareholders	n/a	n/a	n/a

The options referred to in the table above were granted under the 2015 and 2011 Plans.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at July 8, 2016, none of the executive officers, directors, nominees for election as director, employees or former executive officers, directors or employees of the Corporation or any of its subsidiaries were indebted to the Corporation or any of its subsidiaries and, as at the same date, the indebtedness, if any, of such persons to other entities was not the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any subsidiary thereof.

None of the: (i) persons who are or who were, at any time during the fiscal year ended March 31, 2016, directors or executive officers of the Corporation; (ii) proposed nominees for election as a director of the Corporation; or (iii) associates of any such director, executive officer or proposed nominee, were, at any time during the fiscal year ended March 31, 2016, indebted to: (a) the Corporation or any of its subsidiaries; or (b) another entity, if such indebtedness has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any subsidiary thereof, other than "routine indebtedness" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

### AUDIT COMMITTEE INFORMATION

Reference is made to the section entitled "Audit Committee" of the Corporation's Annual Information Form for the fiscal year ended March 31, 2016 for required disclosure relating to the Audit Committee. The Annual Information Form is available on SEDAR at [www.sedar.com](http://www.sedar.com) and can be obtained by contacting the Secretary of the Corporation at 2172 de la Province Street, Longueuil, Québec, J4G 1R7, or by telephone at 450-442-3003.

### APPOINTMENT AND REMUNERATION OF AUDITORS

Ernst & Young LLP have served as the auditors of the Corporation since February 4, 2004. Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the accompanying form of proxy intend to vote FOR the appointment of Ernst & Young LLP as the auditors of the Corporation until the following annual meeting of the shareholders, at such remuneration as may be determined by the Board of Directors.

### RATIFICATION AND APPROVAL OF AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN

The shareholder rights plan of the Corporation was adopted by the Board of Directors of the Corporation in June 2013 and confirmed by shareholders at an annual and special meeting held on August 14, 2013. The Rights Plan is scheduled to expire at the Meeting. On July 8, 2016, the Board of Directors of the Corporation adopted, subject to regulatory approval, amendments to the Rights Plan and, on that same date, the Corporation and Computershare Investor Services Inc. entered into an Amended and Restated Shareholder Rights Plan Agreement (the "**Rights Plan**"). In order for the Rights Plan, as so amended, to continue

in effect after the Meeting, the resolution in the form annexed as Schedule A to the Circular (the “**Shareholder Rights Plan Resolution**”) must be ratified and approved by a majority of the votes cast by shareholders, either present in person or represented by proxy at the Meeting. If the Shareholder Rights Plan Resolution is not passed, the Rights Plan will terminate on August 17, 2016. If the Shareholder Rights Plan Resolution is passed, the Rights Plan will require reconfirmation by the Corporation’s shareholders at the annual meeting of shareholders to be held in 2019.

### **Proposed Amendments**

On February 25, 2016, the Canadian Securities Administrators (the “**CSA**”) announced amendments to National Instrument 62-104 *Take-Over Bids and Issuer Bids* (“**NI 62-104**”). The amendments, which became effective on May 9, 2016, extended from 35 days to 105 days the minimum period during which a take-over bid must remain open for deposits of securities thereunder, with the ability of the target issuer to voluntarily reduce the period to not less than 35 days. Additionally, the minimum period may be reduced due to the existence of certain competing take-over bids or alternative change-in-control transactions. The CSA amendments also impose on bids a minimum tender requirement of 50% of the outstanding securities of the class that are subject to the bid as well as a ten-day extension requirement following the satisfaction of the minimum tender requirement. As the Rights Plan already provided for these latter conditions, the only substantive amendment to the Rights Plan made by the Board of Directors was to extend the period of time a Permitted Bid must remain open, to reflect the changes to the take-over bid regime made by the CSA. To ensure the Permitted Bid definition in the Rights Plan remains aligned with the minimum period during which a take-over bid must remain open under applicable Canadian securities laws, the proposed amendments to the Rights Plan include:

- amending the definition of Permitted Bid and Competing Permitted Bid by changing, among other things, the reference to “60 days” therein to “105 days”; and
- certain additional non-substantive, technical and administrative amendments, including aligning the definition of a Competing Permitted Bid with the minimum number of days as required under Canadian securities laws and providing an exception for certain Exempt Acquisitions.

### **Purpose of the Rights Plan**

The Rights Plan was adopted to: (i) provide shareholders and the Board of Directors with adequate time to consider and evaluate any take-over bid made for the outstanding shares of the Corporation; (ii) provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives to any such take-over bid; (iii) encourage the fair treatment of shareholders in connection with any take-over bid made for the outstanding shares of the Corporation; and (iv) generally prevent any person from acquiring beneficial ownership of or the right to vote more than 20% of the outstanding shares of the Corporation (or where such person already owns more than 20% of the shares, from acquiring ownership of or the right to vote any additional shares) while this process is ongoing or entering into arrangements or relationships that have a similar effect.

The following is a summary of the features of the Rights Plan. The summary is qualified in its entirety by the full text of the Rights Plan, a copy of which is available on SEDAR at [www.sedar.com](http://www.sedar.com) and can be obtained by contacting the Secretary of the Corporation at 2172 de la Province Street, Longueuil, Québec, J4G 1R7, or by telephone at (450) 442-3003. All capitalized terms used in this summary without definition have the meanings attributed to them in the Rights Plan unless otherwise indicated.

### **Issuance of Rights**

In order to implement the rights plan in 2013, the Board of Directors authorized the issue on June 18, 2013 of one Right in respect of each Class A common share outstanding at the close of business on June 18, 2013, the date of implementation of the Rights Plan. The Board of Directors also authorized the issue of one Right for each Class A common share issued after such date and prior to the earlier of the Separation Time and the Expiration Time. If the Rights Plan is approved by shareholders at the Meeting, the Corporation will continue to issue one Right for each Class A common share subsequently issued. Each Right entitles the registered holder thereof to purchase from the Corporation one Class A common share at an exercise price equal to four times the Market Price of the Class A common shares, subject to adjustment and certain anti-dilution provisions (the “**Exercise Price**”). The Rights are not exercisable until the Separation Time. If a Flip-in Event occurs, each Right will entitle the registered holder thereof to receive, upon payment of the Exercise Price, Class A common shares having an aggregate market price equal to twice the Exercise Price.

The Corporation is not required to issue or deliver Rights, or securities upon the exercise of Rights, outside Canada where such issuance or delivery would be unlawful without registration of the relevant Persons or securities. If the Rights Plan would require compliance with securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors may establish procedures for the issuance to a Canadian resident fiduciary of such securities, to hold such Rights or other securities in trust for the Persons beneficially entitled to them, to sell such securities, and to remit the proceeds to such Persons.

### **Trading of Rights**

Until the Separation Time (or the earlier termination or expiration of the Rights), the Rights will be evidenced by the certificates representing the Class A common shares and will be transferable only together with the associated Class A common shares. From and after the Separation Time, separate certificates evidencing the Rights (“**Rights Certificates**”) will be mailed to holders of record of Class A common shares (other than an “Acquiring Person”) as of the Separation Time. Rights Certificates will also be issued in respect of Class A common shares issued prior to the Expiration Time, to each holder (other than an “Acquiring Person”) converting, after the Separation Time, securities (“**Convertible Securities**”) convertible into or exchangeable for Class A common shares. The Rights will trade separately from the Class A common shares after the Separation Time.

### **Separation Time**

The Separation Time is the close of business on the tenth Trading Day after the earlier of (i) the “Stock Acquisition Date”, which is generally the first date of public announcement of facts indicating that a Person has become an “Acquiring Person”; and (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, as such terms are defined in the Rights Plan), and (iii) the date on which a Permitted Bid or Competing Permitted Bid ceases to be such. In each case, the Separation Time can be such later date as may from time to time be determined by the Board of Directors. If a Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, it shall be deemed never to have been made.

### **Acquiring Person**

In general, an Acquiring Person is a Person who is or becomes the Beneficial Owner of 20% or more of the outstanding Class A common shares. Excluded from the definition of “Acquiring Person” are the Corporation and its Subsidiaries, and any Person who becomes the Beneficial Owner of 20% or more of the outstanding Class A common shares as a result of one or more or any combination of a Permitted Bid Acquisition, an Exempt Acquisition, a Convertible Security Acquisition, a Pro Rata Acquisition or a Voting Share Reduction. The definitions of “Permitted Bid Acquisition”, “Exempt Acquisition”, “Convertible Security Acquisition”, “Pro Rata Acquisition” and “Voting Share Reduction” are set out in the Rights Plan. However, in general:

- (a) a “Permitted Bid Acquisition” means an acquisition of Class A common shares made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (b) an “Exempt Acquisition” means an acquisition of Class A common shares in respect of which the Board of Directors has waived the application of the Rights Plan, which was made pursuant to a dividend reinvestment plan of the Corporation, which was made pursuant to a distribution by the Corporation of Class A common shares or Convertible Securities made pursuant to a prospectus (provided that the Person does not thereby acquire a greater percentage of the Class A common shares or Convertible Securities so offered than the percentage owned immediately prior to such acquisition), which was made pursuant to a distribution by the Corporation of Class A common shares or Convertible Securities by way of a private placement, or which is made pursuant to an amalgamation, merger or other statutory procedure requiring shareholder approval;
- (c) a “Convertible Security Acquisition” means an acquisition of Class A common shares upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Pro Rata Acquisition;
- (d) a “Pro Rata Acquisition” means an acquisition as a result of a stock dividend, a stock split or other event pursuant to which such Person receives or acquires Class A common shares or Convertible Securities on the same pro rata basis as all other holders of common shares of the same class; and

- (e) a “Voting Share Reduction” means an acquisition or a redemption by the Corporation of Class A common shares, which by reducing the number of Class A common shares outstanding, increases the percentage of Class A common shares Beneficially Own by a Person.

Also excluded from the definition of “Acquiring Person” are underwriters or members of a banking or selling group acting in connection with a distribution of securities by way of prospectus or private placement, and a Person in its capacity as an Investment Manager, Trust Company, Plan Trustee, Statutory Body, Crown agent or agency or Manager (provided that such Person is not making or proposing to make a Take-over Bid).

## **Beneficial Ownership**

### *General*

In general, a Person is deemed to Beneficially Own Class A common shares actually held by others in circumstances where those holdings are or should be grouped together for purposes of the Rights Plan. Included are holdings by the Person’s Affiliates (generally, a Person that controls, is controlled by, or under common control with another Person) and Associates (generally, relatives sharing the same residence). Also included are securities which the Person or any of the Person’s Affiliates or Associates has the right to acquire within 60 days (other than (i) customary agreements with and between underwriters and banking group or selling group members with respect to a distribution to the public or pursuant to a private placement of securities; or (ii) pursuant to a pledge of securities in the ordinary course of business).

A Person is also deemed to “Beneficially Own” any securities that are Beneficially Owned by any other Person with which the Person is acting jointly or in concert (a “**Joint Actor**”). A Person is a Joint Actor with any Person who is a party to an agreement, arrangement or understanding with the first Person or an Associate or Affiliate thereof to acquire or offer to acquire Class A common shares.

### *Institutional Shareholder Exemptions from Beneficial Ownership*

The definition of “Beneficial Ownership” contains several exclusions whereby a Person is not considered to “Beneficially Own” a security. There are exemptions from the deemed “Beneficial Ownership” provisions for institutional shareholders acting in the ordinary course of business. These exemptions apply to (i) an investment manager (“**Investment Manager**”) which holds securities in the ordinary course of business in the performance of its duties for the account of any other Person (a “**Client**”), including the acquisition or holding of securities for non-discretionary accounts held on behalf of a Client by a broker or dealer registered under applicable securities laws; (ii) a licensed trust company (“**Trust Company**”) acting as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent persons (each an “**Estate Account**”) or in relation to other accounts (each an “**Other Account**”) and which holds such security in the ordinary course of its duties for such accounts; (iii) the administrator or the trustee (a “**Plan Trustee**”) of one or more pension funds or plans (a “**Plan**”) registered under applicable law; (iv) a Person who is a Plan or is a Person established by statute (the “**Statutory Body**”), and its ordinary business or activity includes the management of investment funds for employee benefit plans, pension plans, insurance plans, or various public bodies; (v) a Crown agent or agency. The foregoing exemptions only apply so long as the Investment Manager, Trust Company, Plan Trustee, Plan, Statutory Body, Crown agent or agency, Manager or Mutual Fund is not then making or has not then announced an intention to make a Take-over Bid, other than an Offer to Acquire Class A common shares or other securities pursuant to a distribution by the Corporation or by means of ordinary market transactions.

A Person will not be deemed to “Beneficially Own” a security because (i) the Person is a Client of the same Investment Manager, an Estate Account or an Other Account of the same Trust Company, or Plan with the same Plan Trustee as another Person or Plan on whose account the Investment Manager, Trust Company or Plan Trustee, as the case may be, holds such security; or (ii) the Person is a Client of an Investment Manager, Estate Account, Other Account or Plan, and the security is owned at law or in equity by the Investment Manager, Trust Company or Plan Trustee, as the case may be.

### *Exemption for Permitted Lock-up Agreement*

Under the Rights Plan, a Person will not be deemed to “Beneficially Own” any Class A common shares where the holder of such Class A common shares or Convertible Securities has agreed to deposit or tender such Class A common shares or Convertible Securities, pursuant to a Permitted Lock-up Agreement, to a Takeover Bid made by such Person or such Person’s Affiliates or Associates or a Joint Actor, or such Class A common shares or Convertible Securities have been deposited or tendered pursuant to a Take-over Bid made by such Person or such Person’s Affiliates, Associates or Joint Actors until the

earliest time at which any such tendered Class A common shares or Convertible Securities are accepted unconditionally for payment or are taken up or paid for.

A Permitted Lock-up Agreement is essentially an agreement between a Person and one or more holders of Class A common shares and/or Convertible Securities (the terms of which are publicly disclosed and available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement) pursuant to which each Locked-up Person agrees to deposit or tender Class A common shares and/or Convertible Securities to the Lock-up Bid and which further (i) permits the Locked-up Person to withdraw its Class A common shares or Convertible Securities in order to deposit or tender the Class A common shares or Convertible Securities to another Take-over Bid or support another transaction at a price or value that exceeds the price under the Lock-Up Bid; or (ii) permits the Locked-up Person to withdraw its Class A common shares or Convertible Securities in order to deposit or tender the Class A common shares or Convertible Securities to another Take-over Bid or support another transaction at an offering price that exceeds the offering price in the Lock-up Bid by as much as or more than a Specified Amount and that does not provide for a Specified Amount greater than 7% of the offering price in the Lock-up Bid. The Rights Plan therefore requires that a Person making a Take-Over Bid structure any lock-up agreement so as to provide reasonable flexibility to the shareholder in order to avoid being deemed the Beneficial Owner of the Class A common shares or Convertible Securities subject to the lock-up agreement and potentially triggering the provisions of the Rights Plan.

A Permitted Lock-up Agreement may contain a right of first refusal or require a period of delay to give the Person who made the Lock-up Bid an opportunity to match a higher price in another Take-Over Bid or other similar limitation on a Locked-up Person's right to withdraw Class A common shares or Convertible Securities so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Class A common shares or Convertible Securities during the period of the other Take-Over Bid or transaction. Finally, under a Permitted Lock-up Agreement, no "break up" fees, "top up" fees, penalties, expenses or other amounts that exceed in aggregate the greater of (i) 2.5% of the price or value of the consideration payable under the Lock-up Bid, and (ii) 50% of the amount by which the price or value of the consideration received by a Locked-up Person under another Take-Over Bid or transaction exceeds what such Locked-up Person would have received under the Lock-up Bid, can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Class A common shares or Convertible Securities to the Lock-up Bid or withdraws Class A common shares or Convertible Securities previously tendered thereto in order to deposit such Class A common shares or Convertible Securities to another Take-Over Bid or support another transaction.

### **Flip-in Event**

A Flip-in Event occurs when any Person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-in Event which has not been waived by the Board of Directors occurs (see "Redemption, Waiver and Termination"), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person, an Affiliate or Associate of an Acquiring Person or a Joint Actor (or a transferee of any such Person), which Rights will become null and void) shall constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms of the Rights Plan, that number of Class A common shares having an aggregate Market Price on the date of the Flip-in Event equal to twice the Exercise Price, for the Exercise Price (such Right being subject to anti-dilution adjustments). For example, if at the time of the Flip-in Event the Exercise Price is \$75 and the Market Price of the Class A common shares is \$30, the holder of each Right would be entitled to purchase Class A common shares having an aggregate Market Price of \$150 (that is, five Class A common shares) for \$75 (that is, a 50% discount from the Market Price).

### **Permitted Bid and Competing Permitted Bid**

A Permitted Bid is a Take-over Bid made by way of a Take-over Bid circular and which complies with the following additional provisions:

- (a) the Take-over Bid is made to all registered holders of Class A common shares, other than the Offeror; and
- (b) the Take-over Bid shall contain, and the take-up and payment for securities tendered or deposited thereunder shall be subject to, irrevocable and unqualified conditions that:
  - (i) no Class A common shares shall be taken up or paid for pursuant to the Take-over Bid unless more than 50% of the then outstanding Class A common shares held by Independent Shareholders (x) shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn and (y) have previously been or are taken up at the same time;

- (ii) no Class A common shares shall be taken up or paid for pursuant to the Take-over Bid prior to the Close of Business on the date that is no earlier than one hundred and five (105) days following the date of the Take-over Bid or such shorter period that a take-over bid (that is not exempt from the general take-over bid requirements of NI 62-104) must remain open for deposit and tender of Class A common shares thereunder, in the applicable circumstances at such, pursuant to NI 62-104;
- (iii) Class A common shares may be deposited pursuant to such Take-over Bid, unless such Take-over Bid is withdrawn, at any time during the period of time described in section (b)(ii) above;
- (iv) any Class A common shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
- (v) in the event that the requirement set forth in section (b)(i) above is satisfied, the Offeror will make a public announcement of that fact by indicating the number of Class A common shares and not withdrawn at such date and the Take-over Bid will remain open for deposits and tender of Class A common shares for not less than ten (10) days from the date of such public announcement;

provided always that a Permitted Bid will cease to be a Permitted Bid at any time when such bid ceases to meet any of the provisions of this definition and provided that, at such time, any acquisition of Class A common shares made pursuant to such Permitted Bid, including any acquisition of Class A common shares theretofore made, will cease to be a Permitted Bid Acquisition;

A Competing Permitted Bid is a Take-over Bid that is made after a Permitted Bid has been made but prior to its expiry, and that satisfies all the requirements of a Permitted Bid as described above, except that a Competing Permitted Bid is not required to remain open for 105 days so long as it is open for the minimum period of days a take-over bid must be open for acceptance as may be prescribed by NI 62-104, after the date of the Take-over Bid constituting the Competing Permitted Bid.

### **Redemption, Waiver and Termination**

*Redemption of Rights on Approval of Holders of Class A common shares and Rights.* The Board of Directors acting in good faith may, after having obtained the prior approval of the holders of Class A common shares or Rights, at any time prior to the Separation Time, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.0001 per Right, appropriately adjusted for anti-dilution as provided in the Rights Plan (the “**Redemption Price**”).

*Waiver of Inadvertent Acquisition.* The Board of Directors acting in good faith may waive or agree to waive the application of the Rights Plan in respect of the occurrence of any Flip-in Event if (A) the Board of Directors has determined that a Person became an Acquiring Person under the Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and (B) the Acquiring Person has reduced (or has entered into contractual arrangements with the Corporation to do so) its Beneficial Ownership of Class A common shares such that at the time of waiver the Person is no longer an Acquiring Person.

*Deemed Redemption.* In the event that a Person who has made a Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived or has deemed to have waived the application of the Rights Plan consummates the acquisition of the Class A common shares, the Board of Directors shall be deemed to have elected to redeem the Rights for the Redemption Price.

*Discretionary Waiver with Mandatory Waiver of Concurrent Bids.* The Board of Directors acting in good faith may, prior to the occurrence of a Flip-in Event as to which application of the Rights Plan has not been waived, upon prior written notice to the Rights Agent, waive the application of the Rights Plan to a Flip-in Event that may occur by reason of a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Class A common shares. However, if the Board of Directors waives the application of the Rights Plan, the Board of Directors shall be deemed to have waived the application of the Rights Plan in respect of any other Flip-in Event occurring by reason of such a Take-over Bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.

*Discretionary Waiver respecting Acquisition not by Take-over Bid Circular.* The Board of Directors acting in good faith may, with the prior consent of the holders of Class A common shares, determine, at any time prior to the occurrence of a Flip-in Event as to which the application of the Rights Plan has not been waived, if such Flip-in Event would occur by reason of an acquisition of Class A common shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular

to holders of Class A common shares and otherwise than by inadvertence when such inadvertent Acquiring Person has then reduced (or has entered into contractual arrangements with the Corporation to do so) its holdings to below 20%, to waive the application of the Rights Plan to such Flip-in Event. However, if the Board of Directors waives the application of the Rights Plan, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of shareholders called to approve such a waiver.

*Redemption of Rights on Withdrawal or Termination of Bid.* Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price.

If the Board of Directors is deemed to have elected or elects to redeem the Rights as described above, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights is to receive the Redemption Price. Within ten Business Days of any such election or deemed election to redeem the Rights, the Corporation will notify the holders of the Class A common shares or, after the Separation Time, the holders of the Rights.

### **Anti-Dilution Adjustments**

The Exercise Price of a Right, the number and kind of securities subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including:

- (a) if there is a dividend payable in Class A common shares or Convertible Securities (other than pursuant to any optional stock dividend program, dividend reinvestment plan or a dividend payable in Class A common shares in lieu of a regular periodic cash dividend) on the Class A common shares;
- (b) or a subdivision or consolidation of the Class A common shares;
- (c) or an issuance of Class A common shares or Convertible Securities in respect of, in lieu of or in exchange for Class A common shares; or
- (d) if the Corporation fixes a record date for the distribution to all holders of Class A common shares of certain rights or warrants to acquire Class A common shares or Convertible Securities, or for the making of a distribution to all holders of Class A common shares of evidences of indebtedness or assets (other than regular periodic cash dividend or a dividend payable in Class A common shares) or rights or warrants.

### **Supplements and Amendments**

The Corporation may make amendments to correct any clerical or typographical error or which are necessary to maintain the validity of the Rights Plan as a result of any change in any applicable legislation, rules or regulation. Any changes made to maintain the validity of the Rights Plan shall be subject to subsequent confirmation by the holders of the Class A common shares or, after the Separation Time, the holders of the Rights.

Subject to the above exceptions, after the Meeting, any amendment, variation or deletion of or from the Rights Plan and the Rights is subject to the prior approval of the holders of Class A common shares, or, after the Separation Time, the holders of the Rights.

The Board of Directors reserves the right to alter any terms of or not proceed with the Rights Plan at any time prior to the Meeting if the Board of Directors determines that it would be in the best interests of the Corporation and its shareholders to do so, in light of subsequent developments.

### **Expiration**

If the Rights Plan is approved at the Meeting, it will remain in effect and in force until the earlier of the Termination Time (the time at which the right to exercise Rights shall terminate pursuant to the Rights Plan) and the termination of the Corporation's annual meeting of its shareholders held in 2019 unless at or prior to such meeting the Corporation's shareholders ratify the continued existence of the Rights Plan, in which case the Rights Plan would expire at the earlier of the Termination Time and the termination of the Corporation's annual meeting of its shareholders held in 2022.

At the Meeting, shareholders will be asked to adopt the Shareholder Rights Plan Resolution, ratifying and approving the Rights Plan. In order to be adopted, the Shareholder Rights Plan Resolution must be approved by a majority of the votes cast by shareholders, either present in person or represented by proxy at the Meeting. **Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote for the Shareholder Rights Plan Resolution.**

### CONSOLIDATION OF SHARES

As at July 8, 2016, there were 175,003,906 issued and outstanding Class A common shares of the Corporation. The Corporation considers that without a share consolidation, it may be more difficult for the Corporation to effect future financings.

Accordingly, shareholders will be asked to approve a special resolution in the form annexed hereto as Schedule B (the “**Special Resolution**”), authorizing, if deemed advisable by the Board of Directors, an amendment to the Articles of the Corporation so as to consolidate the issued and outstanding Class A common shares of the Corporation on the basis of one share for a maximum of every ten Class A common shares issued and outstanding (the “**Share Consolidation**”). In order to be adopted, the Special Resolution must be approved by at least two-thirds of the votes cast by the holders of the Class A common shares, either present in person or represented by proxy at the Meeting. **Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote for the Special Resolution.**

If the Special Resolution is adopted by the shareholders, Articles of Amendment will be filed if and when deemed advisable by the Board of Directors in its discretion, but in no case later than twelve months from the date of the Meeting. In such event, subject to the maximum referred to above, the determination of the basis for the consolidation will be at the discretion of the Board of Directors. Notwithstanding the foregoing, the Special Resolution authorizes the Board of Directors to abandon the proposed amendment to the Articles of the Corporation without further approval from the shareholders. **Unless otherwise specified, the persons named in the accompanying form of proxy intend to vote for the Special Resolution. The amendment of the Articles will not have any effect on the operations of the Corporation.**

If the Share Consolidation would result in a Registered Shareholder holding a fraction of a share, no fraction or fractional share or certificate will be issued. In the event that the Share Consolidation would result in a Registered Shareholder of the Corporation holding a fraction of a Class A common share, such fractional Class A common share shall be rounded down to the nearest whole number of Class A common shares and any fractional Class A common share post-Share Consolidation will be cancelled without payment of any consideration. In all other respects, the post-consolidation Class A common shares will have the same attributes as the existing Class A common shares. The Share Consolidation will not change a shareholder's proportionate interest in the Corporation, even though such ownership will be represented by a smaller number of Class A common shares.

The principal effect of the Share Consolidation will be that the number of Class A common shares issued and outstanding will be reduced from 175,003,906 Class A common shares as of July 8, 2016 to between 87,501,953 and 17,500,390 Class A common shares, depending on the ratio selected by the Board of Directors. The following table sets out the percentage reduction in the number of outstanding Class A common shares and the number of Class A common shares that would be outstanding as a result of a consolidation at the ratios indicated:

Proposed Consolidation Ratio	Percentage Reduction in Number of Outstanding Class A Common Shares	Number of Outstanding Class A Common Shares Post-Consolidation
1 for 2	50%	87,501,953
1 for 5	80%	35,000,781
1 for 10	90%	17,500,390

In general, the Share Consolidation will not be considered to result in a disposition of Class A common shares by shareholders for Canadian federal income tax purposes. The aggregate adjusted cost base to a shareholder for such purposes of all Class A common shares held by the shareholder will not change as a result of the Share Consolidation; however, the shareholder's adjusted cost base per Class A common share will increase proportionately.

There can be no assurance, however, that the total market capitalization of the Corporation (the aggregate value of all Class A common shares at the market price then in effect) immediately after the Share Consolidation will be equal to or greater than the total market capitalization immediately before the Share Consolidation. In addition, there can be no assurance that the per-share market price of the Class A common shares following the Share Consolidation will equal or exceed the direct arithmetical

result of the Share Consolidation. In addition, a decline in the market price of the Class A common shares after the Share Consolidation may result in a greater percentage decline than would occur in the absence of a Share Consolidation and the liquidity of the Class A common shares could be adversely affected.

In addition to the issued and outstanding Class A common shares, the Class A common shares currently reserved for issuance by the Corporation will be adjusted to give effect to the Share Consolidation, such that the number of consolidated Class A common shares issuable will equal the number obtained when the number of Class A common shares issuable is divided by the conversion number and the exercise prices of outstanding stock options to purchase consolidated Class A common shares will equal the price obtained by multiplying the existing exercise price by the conversion number.

If the Special Resolution is passed at the Meeting and the Board of Directors decides to proceed with the Share Consolidation, the Corporation will announce that it is proceeding with the consolidation. Registered Shareholders should then, at that time, complete, sign and return the Letter of Transmittal that will be sent to such registered holders, along with the share certificate(s) representing their pre-consolidation Class A common shares, to Computershare Investor Services Inc. at one of the addresses in the Letter of Transmittal. Upon receipt of a properly-completed and signed Letter of Transmittal and the share certificate(s) referred to in the Letter of Transmittal, the Corporation will arrange to have a new share certificate representing the appropriate number of post-consolidation Class A common shares delivered in accordance with the instructions provided by the holder in the Letter of Transmittal. No delivery of a new certificate to a shareholder will be made until the shareholder has surrendered his current issued certificates. Until surrendered, each share certificate formerly representing old Class A common shares shall be deemed for all purposes to represent the number of new Class A common shares to which the holder is entitled as a result of the Share Consolidation.

If your Class A common shares are registered in the name of a nominee (e.g. a trust company, securities broker, or other financial institution), you will not receive a Letter of Transmittal and you should contact your nominee to determine if you need to do anything to effect the consolidation of your Class A common shares.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For the purposes of this Circular, “informed person” of the Corporation means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation, if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

To the best of the Corporation’s knowledge, no informed person of the Corporation, and no associate or affiliate of any such person, at any time since April 1, 2015, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since April 1, 2015 that has materially affected the Corporation, in any proposed transaction that could materially affect the Corporation, or in any matter to be acted upon at this Meeting.

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

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (i) any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last financial year, (ii) any nominee for election as director of the Corporation, or (iii) any associate or affiliate of the persons listed in (i) and (ii), in any matter to be acted upon at the Meeting.

#### **SHAREHOLDER PROPOSALS**

The *Canada Business Corporations Act* provides, in effect, that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The *Canada Business Corporations Act* further provides, in effect, that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated

July 8, 2016, the deadline for submitting a proposal to the Corporation in connection with the next annual meeting of shareholders is April 8, 2017.

The foregoing is a summary only; shareholders should carefully review the provisions of the *Canada Business Corporations Act* relating to Proposals and consult with a legal advisor.

## CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

### 1. Board of Directors

*Disclose how the board of directors facilitates its exercise of independent supervision over management, including:*

- (i) *the identity of directors who are independent;*
- (ii) *the identity of directors who are not independent, and the basis for that determination.*

The Board of Directors considers that Jean Lamarre, Éleine C. Phénix, Kit Dalaroy, Louis P. Bernier, Sylvain Lafrance and Gary M. Collins are independent within the meaning of National Instrument 52-110 *Audit Committees*.

The Board of Directors considers that Claude Mc Master is not independent within the meaning of National Instrument 52-110 *Audit Committees* in that he is a senior officer of the Corporation.

Meetings of the Board of Directors are chaired by its Chairman - an independent director. If necessary, the independent members of the Board of Directors can meet without the non-independent director and members of management present. The independent directors met on their own at least three times in the past year. Independent directors may also communicate with each other through various technological means as required, without non-independent directors and members of management participating.

In addition, the Board of Directors has developed a written description of the role of the Chairman of the Board of Directors, the Chair of each Board Committee and the Chief Executive Officer.

During the period from April 1, 2015 to March 31, 2016, the Board of Directors held six meetings, the Audit Committee held four meetings and the Compensation and Corporate Governance Committee held seven meetings. The following table sets out the number of meetings of the Board of Directors and Board committees attended by the directors:

Name	Number of Board of Directors Meetings Attended	Number of Committee Meetings Attended	Total Number of Meetings Attended
Jean Lamarre	6 out of 6: 100%	6 out of 6: 100%	12 out of 12: 100%
Claude Mc Master	6 out of 6: 100%	n/a	6 out of 6: 100%
Louis Brunel	3 out of 3: 100%	3 out of 3: 100%	6 out of 6: 100%
Éleine C. Phénix	6 out of 6: 100%	4 out of 4: 100%	10 out of 10: 100%
Kit Dalaroy	6 out of 6: 100%	4 out of 4: 100%	10 out of 10: 100%
Louis P. Bernier	6 out of 6: 100%	7 out of 7: 100%	13 out of 13: 100%
Sylvain Lafrance	5 out of 6: 83%	7 out of 7: 100%	12 out of 13: 92%
Gary M. Collins	6 out of 6: 100%	2 out of 2: 100%	8 out of 8: 100%

## 2. Directorships

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

The following directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
Élaine C. Phénix	H2O Innovation Inc.
Jean Lamarre	SEMAFO Inc. TSO3 Inc. Arianne Phosphate Inc.
Gary M. Collins	Liquor Stores N.A. Ltd. Chorus Aviation Inc.

## 3. Orientation and Continuing Education

*Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.*

Generally, the Compensation and Corporate Governance Committee is responsible for the adoption of the policies of the Corporation relating to the orientation of new directors and the continuing education of existing directors. However, the Corporation does not currently have a formal orientation program in place for new directors, nor has it taken any measures to provide continuing education for the directors. Upon appointment of any candidate as a director, the Board of Directors will ensure that the candidate possesses the appropriate skills and knowledge to fulfill his or her obligations as a director. The Board of Directors will ensure that directors contribute to the growth of the Corporation through their positive experience as a director or senior executive with other public companies, through their expertise in the Corporation's areas of activity, through their financial and strategic development skills, or through their experience in corporate governance and regulatory compliance.

## 4. Ethical Business Conduct

*Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.*

In terms of ensuring ethical business conduct, the Board of Directors has adopted a code of business and ethical conduct applicable to all the directors, senior officers and employees of the Corporation as part of its corporate practices. In addition, in terms of the disclosure of information, the Board of Directors has adopted a disclosure policy aimed at ensuring that any communication emanating from the Corporation is timely, accurate as regards the underlying facts and disclosed in accordance with applicable regulatory requirements. Finally, the Board of Directors has adopted a policy regarding securities transactions effected by insiders aimed at informing the Corporation's insiders of their responsibilities in this regard and to ensure compliance therewith.

Any employee may obtain a copy of the code of business and ethical conduct by requesting it from his or her immediate supervisor. Directors and the Chief Executive Officer should contact the Chair of the Board of Directors or the Chair of the Compensation and Corporate Governance Committee. In general, directors, senior officers and employees of the Corporation should contact the Vice-President, Legal Affairs for any question regarding the code of business and ethical conduct.

Each employee receives a copy of the employee handbook, with proof of receipt. This handbook informs employees of company policies and how to obtain further information on any matter dealt with in the handbook, including ethical issues.

New directors receive a copy of the mandates and policies, and directors are encouraged to consult them as required.

Internal control procedures are reviewed annually by an independent consultant.

Lastly, the Corporation has adopted a whistleblower policy which enables directors, senior officers and employees to report any irregularity to the Chair of the Audit Committee.

The code of business and ethical conduct covers the following topics: compliance with laws and regulations, conflicts of interest, full disclosure, insider trading, confidentiality, gifts and awards, corruption, good-faith incentives, fair dealing, protection of company assets, accuracy of the company's books and records, reporting violations and complaints procedure. In the event of a conflict of interest, very specific rules have been established and these are included in the code of business and ethical conduct. The Audit Committee ensures compliance with internal control and risk management standards. The Compensation and Corporate Governance Committee is responsible for ensuring that the Board of Directors and management act in accordance with those practices and processes best able to ensure compliance with applicable laws and appropriate ethical standards; these include the adoption of company policies and procedures, and the adoption of a written code of business and ethical conduct which sets out effective standards for deterring wrongdoing, and is applicable to the Corporation's directors, senior officers and employees. These missions are explicitly included in the mandates of these two committees.

## 5. Nomination of Directors

*Disclose what steps, if any, are taken to identify new candidates for board nomination, including:*

- (i) *who identifies new candidates;*
- (ii) *the process of identifying new candidates.*

The Compensation and Corporate Governance Committee is responsible for recommending potential new directors and assessing the performance and contribution of directors. Louis P. Bernier, Jean Lamarre and Sylvain Lafrance, the three members of the Compensation and Corporate Governance Committee, are all independent directors. Every director elected to the Board of Directors receives a written mandate, which he or she must accept.

The Board of Directors will ensure that directors are able to contribute to the growth of the Corporation through their positive experience as a director or senior executive with other public companies, through their expertise in the Corporation's areas of activity, through their financial and strategic development skills, or through their experience in corporate governance and regulatory compliance. The Board of Directors will also ensure that this range of contributions is continuously represented on the Board of Directors.

### Director Term Limits and Other Mechanisms of Board Renewal

The Corporation has not adopted term limits for its directors or other mechanisms of Board of Directors renewal. The Corporation is aware of the positive impacts of bringing new perspectives to the Board of Directors, and therefore does occasionally add new members; however, it values continuity on the Board of Directors and the in-depth knowledge of the Corporation held by those members who have a long-standing relationship with the Corporation.

### Policies Regarding the Representation of Women on the Board of Directors

The Corporation does not currently have a written policy relating to the identification and nomination of women directors. Historically, the Corporation has not felt that such a policy was needed. However, the Corporation is currently considering the adoption of such a policy.

### Consideration of the Representation of Women in the Director Identification and Selection Process

When the Compensation and Corporate Governance Committee recommends candidates for the Board of Directors, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Board of Directors to perform efficiently and act in the best interest of the Corporation and its shareholders. The Corporation is aware of the benefits of diversity both on the Board of Directors and at the executive level, and therefore female representation is one factor taken into consideration during the search process to fill leadership roles within the Corporation.

### Consideration Given to the Representation of Women in Executive Officer Appointments

When the Board of Directors selects candidates for executive officer positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Corporation's management to perform efficiently and act in the best interest of the Corporation and its shareholders. The Corporation is aware of the benefits of diversity both on the Board of Directors and at the executive level, and therefore female representation is one factor taken into consideration during the search process to fill leadership roles within the Corporation.

### Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Corporation has not adopted a "target" regarding women on the Board of Directors or in executive officer positions. The Corporation considers candidates based on their qualifications, personal qualities, business background and experience, and does not feel that targets necessarily result in the identification or selection of the best candidates.

### Number of Women on the Board and in Executive Officer Positions

There is one woman on the Board of Directors of the Corporation, representing 14.2 % of the membership of the Board of Directors. The Corporation counts one (1) woman as an executive officer.

## **6. Compensation**

*Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:*

- (i) *who determines compensation;*
- (ii) *the process for determining compensation.*

The process by which the Corporation currently determines the compensation of the executive officers of the Corporation is described in the section entitled "Compensation of Executive Officers and Directors – Compensation Discussion & Analysis" above.

## **7. Other Board Committees**

*If the board has standing committees other than the audit, compensation and corporate governance committees, identify the committees and describe their function.*

The Board of Directors has not constituted committees other than the Audit Committee and the Compensation and Corporate Governance Committee.

The Compensation and Corporate Governance Committee is responsible for corporate and governance matters which include the following responsibilities:

- (a) the adoption of principles and guidelines relating to corporate governance that are relevant to the Corporation, as regards the: (i) size and composition of the Board of Directors; (ii) orientation of new directors; (iii) continuous education of directors; (iv) compensation and the term of directors' mandates; (v) evaluation from time to time of the performance of the Board of Directors, its committees and individual directors, and (vi) description of the role of each director, as well as the qualifications and skills that each director should bring to the Board of Directors;
- (b) overseeing that the Board of Directors and management respect practices and procedures that are designed to ensure compliance with all applicable laws and ethical standards, including the adoption of policies and corporate procedures and the adoption of a written code of business and ethical conduct that is applicable to directors, officers and employees of the Corporation and which is designed to promote and foster integrity and deter inappropriate action or wrongdoing;

- (c) recommending candidates for election or appointment to the Board of Directors, including examining any nominees recommended by shareholders; and
- (d) to the extent possible, satisfying itself as to the integrity of the senior management of the Corporation such that the senior officers create a culture of integrity throughout the Corporation.

## 8. Assessments

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

The Compensation and Corporate Governance Committee will ensure regular assessment of the effectiveness and contribution of the Board of Directors, the Board of Directors' committees and the individual directors by means of an evaluation form containing 20 assessment criteria. The recommendations resulting from this evaluation process are submitted to the Chairman of the Board of Directors in order to allow him to take measures that are necessary or advisable in this regard.

## ADDITIONAL INFORMATION

Financial information about the Corporation is contained in its comparative consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended March 31, 2016, and additional information about the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

If you would like to obtain, at no cost to you, a copy of any of the following documents:

- (a) the comparative consolidated financial statements of the Corporation for the fiscal year ended March 31, 2016 together with the accompanying report of the auditors thereon and any interim financial statements of the Corporation for periods subsequent to March 31, 2016 and Management's Discussion and Analysis with respect thereto; and
- (b) this Circular,

please send your request to:

D-BOX Technologies Inc.  
c/o Daniel Le Blanc  
Vice President, Legal Affairs  
2172 de la Province Street  
Longueuil, Québec J4G 1R7

Telephone: 450-442-3003  
Telecopier: 450-442-3230  
E-mail: [dleblanc@d-box.com](mailto:dleblanc@d-box.com)

It is also possible to obtain information concerning the Corporation by visiting its web site at [www.d-box.com](http://www.d-box.com).

## OTHER MATTERS

Management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

## **AUTHORIZATION**

DATED at Longueuil, Québec  
July 8, 2016

The contents and the mailing of this Circular have been approved by the Board of Directors of the Corporation.

*(s) Jean Lamarre*  
Chairman of the Board of Directors

**SCHEDULE A**

**SHAREHOLDERS' RESOLUTION**

**Ratification and Approval of Amended and Restated Shareholder Rights Plan**

**BE AND IT IS HEREBY RESOLVED:**

THAT the Amended and Restated Shareholder Rights Plan of the Corporation, as approved by the Board of Directors on July 8, 2016 and as described in the management proxy circular of the Corporation dated July 8, 2016, is hereby ratified and approved, with all such modifications, additions or deletions thereto which the President and Chief Executive Officer of the Corporation, in his sole discretion, may deem appropriate or necessary.

**SCHEDULE B**

**SHAREHOLDERS' SPECIAL RESOLUTION**

**SHARE CONSOLIDATION**

**BE AND IT IS HEREBY RESOLVED:**

THAT the Articles of the Corporation be amended so that the issued and outstanding Class A common shares of the Corporation are consolidated on the basis of one share for a maximum of every ten Class A common shares then issued and outstanding;

THAT, subject to the maximum set out above, the determination of the basis for the consolidation shall be at the discretion of the Board of Directors of the Corporation;

THAT the officers and directors of the Corporation are hereby authorized to file Articles of Amendment with Industry Canada if and when deemed advisable by the Board of Directors of the Corporation in its discretion, but in no case later than twelve months from the date hereof, and do all other things necessary in order to give effect to the foregoing; and

THAT if the Board of Directors of the Corporation in its discretion deems it advisable, it is hereby authorized to abandon the proposed amendment to the Articles of the Corporation without further approval from the shareholders.