



**BSM TECHNOLOGIES INC.
NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

**For the Annual General and Special Meeting of
Shareholders to be held at:**

**The National Club, Blake Lounge
303 Bay Street
Toronto, Ontario M5H 2R1
on Wednesday, March 23, 2016
at 4:00 p.m.**

DATED: February 11, 2016

BSM TECHNOLOGIES INC.

Notice of Annual General and Special Meeting of Shareholders of BSM Technologies Inc.

To be Held on Wednesday, March 23, 2016 at 4:00 p.m. (Toronto time)

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of holders of common shares (“**Shareholders**”) of BSM Technologies Inc. (the “**Company**”) will be held at The National Club, the Blake Lounge, 303 Bay Street, Toronto, Ontario M5H 2R1 on Wednesday, March 23, 2016 at 4.00 p.m. (Toronto time) for the following purposes:

1. to receive and consider the audited annual consolidated financial statements of the Company for the fiscal year ended September 30, 2015, together with the auditors’ report thereon;
2. to elect directors of the Company for the ensuing year, as more particularly described under the heading “*Business of Meeting – Election of Directors*” in the Company’s management information circular dated February 11, 2016 (the “**Circular**”);
3. to re-appoint PricewaterhouseCoopers LLP as auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration, as more particularly described under the heading “*Business of Meeting – Appointment of Auditors*” in the Circular;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the replenishment of the number of Common Shares available for issuance under the Company’s restricted share unit plan (the “**RSU Plan**”), certain amendments to the RSU Plan and all unallocated restricted share units issuable pursuant to the RSU Plan, as more particularly described under the heading “*Business of Meeting – Approval of the RSU Plan Resolution*” in the Circular;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the replenishment of the number of Common Shares available for issuance under the Company’s deferred share unit plan (the “**DSU Plan**”), certain amendments to the DSU Plan and all unallocated deferred share units issuable pursuant to the DSU Plan, as more particularly described under the heading “*Business of Meeting – Approval of the DSU Plan Resolution*” in the Circular; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

This notice is accompanied by the Circular, either a form of proxy for registered Shareholder or a voting instruction form for beneficial Shareholder (collectively, the “**Meeting Materials**”). Shareholders are able to request to receive copies of the Company’s audited consolidated annual financial statements and related management’s discussion and analysis (“**MD&A**”) and/or interim consolidated financial statements and related MD&A by marking the appropriate box on the form of proxy or voting instruction form, as applicable. The audited consolidated financial statements of the Company for the fiscal year ended September 30, 2015 and related MD&A was sent to those Shareholders who previously requested to receive it. Otherwise, it is available upon request to the Company by email at InvestorRelationsGroup@bsmwireless.com and can also be found under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com or on the Company’s website at www.bsmwireless.com/ir.

This year, as described in the notice-and-access notification mailed to Shareholders, the Company has decided to deliver the Meeting Materials to Shareholders utilizing the notice-and-access mechanism that came into effect on February 11, 2013 under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*. This means the Company will deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website at www.bsmwireless.com/ir. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Company’s printing and mailing

costs. The Meeting Materials will be available on the Company's website as of February 16, 2016, and will remain on the website for one full year thereafter. In addition, the Meeting Materials will also be available under the Company's profile on SEDAR at www.sedar.com as of February 16, 2016.

Prior to the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling toll-free in North America at 1-866-962-0498 or direct, from outside of North America at (514) 982-8716 and entering your control number as indicated on your form of proxy or voting instruction form. For up to one year after the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling toll-free in North America at 1-888-822-2768 or by email at InvestorRelationsGroup@bsmwireless.com. Meeting Materials will be sent to such Shareholders at no cost within three business days of their request, if such requests are made before the Meeting. In order to receive paper copies of the Meeting Materials in advance of the proxy deposit deadline, as set out below, your request should be received no later than March 9, 2016.

If you would like more information about the "notice-and-access" rules, please contact the Company by calling toll-free in North America at 1-888-822-2768.

Shareholders are invited to attend the Meeting. *Registered Shareholders* who are unable to attend the Meeting in person are requested to complete, date and sign the form of proxy and send it to the Corporate Secretary of the Company c/o Computershare Investor Services Inc. ("**Computershare**"), 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, Facsimile: 1-866-249-7775. Electronic voting is also available for this Meeting through www.investorvote.com and telephone voting is available. Votes cast electronically or by telephone are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy. *Non-registered Shareholders* who receive the Meeting Materials through their broker or other intermediary should complete and send the voting instruction form in accordance with the instructions provided by their broker or intermediary.

The Company's board of directors (the "**Board**") has fixed the close of business on February 9, 2016, as the record date for determining Shareholders entitled to receive notice of and to vote at the Meeting and any adjournments or postponements thereof. Only Shareholders whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

The Board has by resolution fixed 4:00 p.m. (Eastern Daylight Time) on March 21, 2016, or 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company's transfer agent. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

DATED at Toronto, Ontario, this 11th day of February, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS OF
BSM TECHNOLOGIES INC.**

"Aly Rahemtulla"

President and Chief Executive Officer

BSM TECHNOLOGIES INC.

Management Information Circular
for the
Annual General and Special Meeting of Shareholders
to be held on
Wednesday, March 23, 2016

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1. GENERAL INFORMATION FOR THE MEETING

1.1. Time, Date and Place of Meeting

This management information circular (the “**Circular**”) is provided in connection with the solicitation, by or on behalf of the management of BSM Technologies Inc. (the “**Company**”), of proxies for use at the Company’s annual general and special meeting (the “**Meeting**”) of the holders (collectively, the “**Shareholders**”, or individually, a “**Shareholder**”) of common shares (the “**Common Shares**”) of the Company to be held at **The National Club, the Blake Lounge, 303 Bay Street, Toronto, Ontario M5H 2R1 on Wednesday, March 23, 2016 at 4:00 p.m.** (Eastern Daylight Time) and for the purposes set forth below or at any adjournment thereof for the purposes set out in the accompanying notice of meeting (the “**Notice**”).

Unless otherwise stated herein, the information contained in this Circular is given as of February 11, 2016. All dollar amounts referenced in this Circular are stated in Canadian dollars. Information set forth herein as to shareholdings is based upon information supplied by the respective persons holding such Common Shares.

1.2. Record Date

The Company has fixed the close of business on February 9, 2016, as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting or at any adjournment or postponement thereof (subject, in the case of voting by proxy, to the timely deposit of a properly completed, signed and dated proxy with the Company’s transfer agent and registrar, Computershare Investor Services Inc. (“**Computershare**”), as specified herein and in the Notice).

All holders of Common Shares of record at the close of business on the Record Date are entitled to vote the Common Shares registered in such Shareholder’s name at that date on each matter to be acted upon at the Meeting. The failure of any Shareholder to receive a copy of the Notice does not deprive a Shareholder of the right to vote at the Meeting.

1.3. Solicitation of Proxies

The enclosed proxy is being solicited by the management of the Company for use at the Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of communication by the directors, officers and employees of the Company, none of whom will be specifically remunerated therefor. The cost of any such solicitation will be borne by the Company.

In accordance with applicable securities law requirements, the Company will have distributed copies of the notice-and-access notification, the Notice, this Circular, and, as applicable, a form of proxy (which includes a consent to electronic delivery and a place to request copies of the Company’s audited annual consolidated financial statements and related management’s discussion and analysis (“**MD&A**”) and/or interim consolidated financial statements and related MD&A or to waive the receipt of the audited annual consolidated financial statements and related MD&A and/or interim consolidated financial statements and related MD&A) or voting instruction form (“**VIF**”) (collectively, the “**Meeting Materials**”). This year, the Company has decided to use notice-and-access to deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website at www.bsmwireless.com/ir. The Meeting Materials will also be available under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com as of February 16, 2016. Shareholders will receive a notice-and-access notification which will contain information on how to obtain

electronic and paper copies of the Meeting Materials in advance of the Meeting. Please see “*Notice-and-Access*” below.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with intermediaries (collectively, the “**Intermediaries**”, or individually, an “**Intermediary**”) or their nominees (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans and similar plans) to forward the Meeting Materials to the Objecting Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward the Meeting Materials to Objecting Beneficial Shareholders unless an Objecting Beneficial Shareholder has waived the right to receive them. The Company has elected to pay for the delivery of the Meeting Materials to Objecting Beneficial Shareholders by the Intermediaries. The Company is sending the Meeting Materials directly to Non-Objecting Beneficial Shareholders (as defined below), through the services of Computershare.

Shareholders will also receive access to a supplementary mailing list return card to be used to request inclusion on the Company’s supplementary mailing list for its annual and interim financial statements.

All references to Shareholders in this Circular, the accompanying instrument of proxy and the Notice are to registered Shareholders unless specifically noted otherwise.

1.4. Appointment and Revocation of Proxies

The individuals named as proxyholders in the instrument of proxy accompanying this Circular are representatives of the Company’s management. **A Shareholder who wishes to appoint another person (who need not be a Shareholder) as his or her representative at the Meeting may do so by either: (a) crossing out the names of the designated proxyholders and printing the other person’s name in the blank space provided; or (b) completing another valid instrument of proxy.** In either case, the completed instrument of proxy must be delivered to Computershare at the place and within the time limits specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the designated proxyholders should notify the designated proxyholder(s), obtain his or her consent to act as proxy, and provide instructions on how the Shareholder’s Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In all cases the instrument of proxy should be dated and executed by a Shareholder or an attorney duly authorized in writing (with proof of such authorization attached, in the case where an appointed attorney has executed the instrument of proxy).

An instrument of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Company, c/o Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, Facsimile 1-866-249-7775, not less than 48 hours before the time for holding the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays. Electronic voting is also available for this Meeting through www.investorvote.com and telephone voting is available. Votes cast electronically or by telephone are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy.

In addition to revocation in any other manner permitted by law, a Shareholder who has given a proxy may revoke it, any time before it is exercised, by an instrument in writing executed by such Shareholder or by his or her attorney authorized in writing and deposited either at the registered office of the Company (BSM Technologies Inc., 75 International Blvd., Suite 100, Toronto, ON M9W 6L9. Attention: Corporate Secretary) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment

thereof, at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof.

1.5. Voting of Proxies

The persons named in the form of proxy have been selected by the directors of the Company and have indicated their willingness to represent Shareholders that appoint them as proxy. Each Shareholder may instruct his or her proxy how to vote his or her Common Shares by completing the blanks on the proxy form.

Common Shares represented by properly executed proxy forms in favour of the person designated on the proxy form will be voted or withheld from voting in accordance with the instructions given on the proxy forms and if a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such instructions, such Common Shares **WILL BE VOTED FOR THE APPROVAL OF ALL RESOLUTIONS IN THIS CIRCULAR.**

The form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice and with respect to any other matters which may properly come before the Meeting. As of the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

1.6. Advice to Beneficial Shareholders

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

The directors and officers of the Company do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“Broadridge”). Broadridge typically mails the VIFs or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instructions forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of

Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a VIF from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

1.7. Note to Non-Objecting Beneficial Shareholders

Beneficial Shareholders fall into two categories – those who object to their identity being made known to the issuers of securities which they own (the “**Objecting Beneficial Shareholders**”) and those who do not object to their identity being made known to the issuers of the securities they own (the “**Non-Objecting Beneficial Shareholders**”). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their Non-Objecting Beneficial Shareholders from Intermediaries via their transfer agent in order to distribute the Meeting Materials directly to such Non-Objecting Beneficial Shareholders. The Company is taking advantage of those provisions of NI 54-101, which permit the Company to send the Meeting Materials directly to Non-Objecting Beneficial Shareholders.

If you are a Non-Objecting Beneficial Shareholder, and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding the Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified therein.

A Beneficial Shareholder may revoke a VIF or a waiver of the right to receive materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive materials and to vote, which is not received by the Intermediary at least seven days prior to the Meeting.

1.8. Electronic Delivery of Documents

Every year, as required by laws governing public companies, the Company delivers documentation to Shareholders. In order to make this process more convenient, Shareholders may choose to be notified by email when the Company’s documentation, including the Meeting Materials, is posted on the Company’s website (www.bsmwireless.com/ir) and, accordingly, such documentation will not be sent in paper form by mail.

Delivery in an electronic format, rather than paper, reduces costs to the Company and benefits the environment. Shareholders **who do not** consent to receive documentation through email notification will continue to receive such documentation by mail or otherwise, in accordance with securities laws.

By consenting to electronic delivery, Shareholders: (i) agree to receive all documents to which they are entitled electronically, rather than by mail; and (ii) understand that access to the Internet is required to receive a document electronically and certain system requirements must be installed (currently Adobe Acrobat Reader to view Adobe’s portable document format (“**PDF**”). Such documents may include the interim consolidated financial statements and corresponding MD&A, the annual audited consolidated financial statements and corresponding MD&A, the notice of annual and/or special meetings of Shareholders, the related management information circular, other proxy-related materials and other corporate information about the Company.

At any time, the Company may elect not to send a document electronically, or a document may not be available electronically. In either case, a paper copy will be mailed to Shareholders.

Registered Shareholders can consent to electronic document delivery by completing and returning the consent included in the form of proxy accompanying the Meeting Materials to Computershare. Beneficial Shareholders can consent to electronic delivery by completing and returning the appropriate form received from the applicable Intermediary. The Company will notify Shareholders using the email address provided by the Shareholder on the form of proxy when the documents the Shareholder is entitled to receive are posted on the Company's website, with a link to the specific pages of the website containing the PDF document. Shareholders are not required to consent to electronic delivery.

1.9. Notice-and-Access

In November 2012, the Canadian Securities Administrators announced the adoption of regulatory amendment to securities laws governing the delivery of proxy-related materials by public companies. The notice-and-access mechanism came into effect on February 11, 2013 under NI 54-101. As a result, public companies are now permitted to advise their shareholders of the availability of all proxy-related materials on an easily-accessible website, rather than mailing physical copies of the materials.

The Company has decided to deliver the Meeting Materials to Shareholders by posting the Meeting Materials on its website www.bsmwireless.com/ir. The Meeting Materials will be available on the Company's website as of February 16, 2016, and will remain on the website for one full year thereafter. In addition, the Meeting Materials will also be available on SEDAR at www.sedar.com as of February 16, 2016.

All Shareholders entitled to receive the Meeting Materials will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting Materials in advance of the Meeting.

Prior to the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling toll-free in North America at 1-866-962-0498 or direct, from outside of North America at (514) 982-8716 and entering your control number as indicated on your form of proxy or voting instruction form. For up to one year after the Meeting, those Shareholders who wish to receive paper copies of the Meeting Materials may request copies from the Company by calling toll-free in North America at 1-888-822-2768 or by email at InvestorRelationsGroup@bsmwireless.com. Meeting Materials will be sent to such Shareholders at no cost within three business days of their request, if such requests are made before the Meeting. In order to receive paper copies of the Meeting Materials in advance of the proxy deposit deadline, as set out below, your request should be received no later than March 9, 2016.

If you would like more information about the "notice-and-access" rules, please contact the Company by calling toll-free in North America at 1-888-822-2768.

1.10. Interest of Certain Persons or Companies in Business of Meeting

No (a) director or executive officer of the Company who has held such position at any time since the beginning of the fiscal year ended September 30, 2015; (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than directors and executive officers of the Company having an interest in the resolutions regarding the approval of certain amendments to the Company's restricted share unit plan (the "**RSU Plan**") and the Company's deferred share unit plan (the "**DSU Plan**"), as such persons are eligible to participate in such plans. Please see "*Business of Meeting – Approval of the RSU Plan Resolution*" and "*Business of Meeting – Approval of the DSU Resolution*".

1.11. Quorum

The quorum for the Meeting is two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent Shareholders so entitled, holding or representing in the aggregate not less than 25% of the issued Common Shares of the Company enjoying voting rights at such meeting.

1.12. Voting Securities and Principal Holders Thereof

The authorized capital of the Company consists of: (i) an unlimited number of Common Shares, of which 88,917,759 Common Shares are issued as at the Record Date, of which 1,968,656 Common Shares are issued in escrow, the release of which is subject to future performance conditions outlined in the applicable escrow agreements; (ii) an unlimited number of First Preferred Shares without nominal or par value, of which Nil First Preferred Shares are issued and outstanding as at the Record Date; and (iii) an unlimited number of Second Preferred Shares without nominal or par value, of which Nil Second Preferred Shares are issued and outstanding as at the Record Date. Each Common Share carries the right to one vote per Common Share. No other voting securities are issued and outstanding as of the Record Date.

To the knowledge of management and the directors of the Company, as at the Record Date, no person beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares.

2. BUSINESS OF MEETING

To the knowledge of the board of directors of the Company (the “**Board**”) and management of the Company, the only matters to be brought before the Meeting are those set out in the accompanying Notice and more particularly detailed below. **However, if other matters, which are not known to the management, should properly come before the meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.**

2.1. Presentation of Audited Annual Consolidated Financial Statements and the Auditor’s Report

The Company’s audited annual consolidated financial statements for the fiscal year ended September 30, 2015 (the “**2015 F/S**”), the report of the auditors thereon and the related MD&A (the “**2015 MD&A**”) were sent to Shareholders who requested a copy of such documents, and are additionally available under the Company’s profile on SEDAR at www.sedar.com. Pursuant to the provisions of the *Business Corporations Act* (Ontario) (the “**OBCA**”) and the Company’s by-laws, the Company will submit to Shareholders at the Meeting the 2015 F/S of the Company and the auditors’ report thereon. No formal action will be taken at the Meeting to approve the 2015 F/S, which were approved by the Board on recommendation by the Audit Committee of the Board (the “**Audit Committee**”) prior to their delivery to the Shareholders.

2.2. Election of Directors

The Company’s Articles of Amendment dated December 19, 1996 provide that the Board shall consist of a minimum of three and a maximum of 11 directors. The Company currently has six directors and the Board has fixed the number of directors to be elected at the Meeting at six. The following six persons whose names are set out below (the “**Nominees**”) have been nominated by the Board for election as directors at the Meeting. The following table sets forth the name, province or state and country of residence and principal occupation during the prior five year period of each Nominee and the number of voting securities of the Company beneficially owned, or over which control or direction is exercised, directly or indirectly, by each Nominee.

In addition, below are the biographies of each Nominee. For additional information regarding the current directors' meeting attendance and fees, please see "Director Compensation and Corporate Governance".

The Board adopted a policy regarding majority voting for the election of directors on January 19, 2012, which was amended by the Board on February 11, 2016. If, in an uncontested election of directors, the number of Common Shares "withheld" for any director nominee exceeds the number of Common Shares voted "for" such nominee, then, notwithstanding that such director was duly elected as a matter of corporate law, he or she shall immediately tender his or her written resignation to the Board. The Compensation, Governance and Nominating Committee of the Board (the "CGN Committee") will consider such offer of resignation and will make a recommendation to the Board concerning the acceptance or rejection of the resignation. The Board will accept the resignation absent exceptional circumstances, and such resignation will be effective when accepted by the Board. In its deliberations, the CGN Committee may consider such extenuating circumstances as it deems appropriate. The Board must take formal action on the CGN Committee's recommendation within 90 days of the date of the applicable meeting of Shareholders and promptly announce its decision by press release, a copy of which shall be provided to the Toronto Stock Exchange (the "TSX"). If the Board declines to accept the resignation, such press release will fully state the reason or reasons for its decision.

At the Meeting, Shareholders will be entitled to cast their votes for, or withhold their votes from, the election of each Nominee.

Name, Province or State and Country of Residence	Director of the Company Since ⁽¹⁾	Committee Membership	Principal Occupation During the Preceding Five Years ⁽²⁾	Common Shares Beneficially Owned or Controlled ⁽³⁾		Options, BSM Replacement Options, DSUs and RSUs Beneficially Owned or Controlled ⁽⁵⁾⁽⁶⁾⁽⁷⁾
				Number	% of Total ⁽⁴⁾	
Andrew Gutman Utah, United States	September 30, 2015	Chairman of the Board and member of the CGN Committee	Chief Executive Officer of Webtech Wireless Inc.	125,139	0.14	234,960 BSM Replacement Options 50,000 DSUs
Frank Maw Ontario, Canada	June 10, 2008	Chair of the CGN Committee and member of the Audit Committee	Consultant to IT industry	87,000	0.10	75,000 Options 52,500 DSUs
Aly Rahemtulla Ontario, Canada	January 23, 2006	None	President and Chief Executive Officer of the Company	1,090,635 ⁽⁸⁾	1.23	270,500 Options 411,387 RSUs
Pierre Bélanger Québec, Canada	September 25, 2009	Chair of the Audit Committee	President, Bel-Go Conseil Inc.	87,000	0.10	54,879 Options 59,535 DSUs

Name, Province or State and Country of Residence	Director of the Company Since ⁽¹⁾	Committee Membership	Principal Occupation During the Preceding Five Years ⁽²⁾	Common Shares Beneficially Owned or Controlled ⁽³⁾		Options, BSM Replacement Options, DSUs and RSUs Beneficially Owned or Controlled ⁽⁵⁾⁽⁶⁾⁽⁷⁾
				Number	% of Total ⁽⁴⁾	
John Gildner Ontario, Canada	September 30, 2015	Member of the Audit Committee	Director of The Westaim Corporation; Former Managing Director of CIBC World Markets Inc.	131,150	0.15	42,720 BSM Replacement Options 35,000 DSUs
Leonard Metcalfe British Columbia, Canada	September 30, 2015	Chair of the CGN Committee,	Retired; Former Chairman of LMI Technologies Inc.	64,432	0.07	32,040 BSM Replacement Options 35,000 DSUs
Total				1,585,356	1.79	400,379 Options 309,720 BSM Replacement Options 232,035 DSUs 411,387 RSUs

Notes:

- (1) Each director's term will continue until the next annual meeting of the Shareholders at which time it will expire or until the director resigns, becomes ineligible or unable to serve or until his or her successor is elected or appointed.
- (2) The information as to principal occupations, not being within the direct knowledge of the Company, has been furnished by the respective Nominees.
- (3) The information as to the number of Common Shares, stock options ("Options"), BSM Replacement Options (as defined herein), deferred share units ("DSUs") and restricted share units ("RSUs") beneficially owned, or over which control or direction is exercised, directly or indirectly, not being within the direct knowledge of the Company, has been furnished by the respective Nominees or obtained from the System for Electronic Disclosure by Insiders ("SEDI") and may include Common Shares owned or controlled by their spouses and/or children and/or companies controlled by them or their spouses and/or children.
- (4) Percentage of total Common Shares is based on 88,917,759 Common Shares issued as of February 11, 2016.
- (5) On September 30, 2015, the Company acquired all of the issued and outstanding common shares (the "Webtech Shares") of Webtech Wireless Inc. ("Webtech") and Webtech became a wholly-owned subsidiary of the Company, in connection with the business combination of the Company and Webtech by way of a court-approved plan of arrangement (the "Arrangement") involving the Company, Webtech and 1044266 B.C. Ltd. ("Subco"), a wholly-owned subsidiary of the Company. As part of the Arrangement, Webtech was amalgamated with Subco to form a new corporate entity continuing under the name of "Webtech Wireless Inc.". Under the terms of the Arrangement, each Webtech Share was exchanged for the issuance by the Company of \$0.52 in cash plus 2.136 Common Shares of the Company. In addition, all of the outstanding options of Webtech, whether vested or unvested, were deemed to have been exchanged under the Arrangement for an option (a "BSM Replacement Option") to acquire Common Shares of the Company. The term to expiry, conditions to and manner of exercising the BSM Replacement Options are the same as the Webtech option for which it was exchanged. Further information with respect to the Arrangement can be found in the joint management information circular of the Company and Webtech dated August 19, 2015 (the "Joint Circular") which is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.bsmwireless.com/ir.
- (6) DSUs are granted pursuant to the DSU Plan and are not exercisable until there is loss of directorship.
- (7) RSUs are granted pursuant to the RSU Plan and, generally, do not vest until the third anniversary of the RSU grant date.
- (8) Mr. Rahemtulla, through the Adrienne Farquhar RRSP, a spousal RRSP over which he has direct or indirect control or direction over, owns an aggregate of 31,031 Common Shares. Mr. Rahemtulla, through the Aly Rahemtulla RRSP, his personal RRSP, owns an aggregate of 157,714 Common Shares. Mr. Rahemtulla, through the Aly Rahemtulla TFSA, his personal TFSA, owns an aggregate of 12,653 Common Shares.

Shares. Mr. Rahemtulla, through ANR Automotive Assets Inc., a company under his control, owns or controls, directly or indirectly, an aggregate of 62,685 Common Shares. Mr. Rahemtulla, through ANR Capital Inc., a company under his control, owns or controls, directly or indirectly, an aggregate of 769,050 Common Shares. Mr. Rahemtulla, through DTM Holdings Inc., a company under his control, owns or controls, directly or indirectly, an aggregate of 12,500 Common Shares. Mr. Rahemtulla directly owns an aggregate of 45,002 Common Shares.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF EACH OF THE NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER, OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS; HOWEVER, IF FOR ANY REASON, ANY OF THE NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.

2.2.1. Director Biographies

Andrew Gutman, Non-Executive Chairman of the Board

Mr. Gutman was the Chief Executive Officer of Webtech and has more than 10 years of experience in private equity/venture capital, as well as 15 years of experience in managing and/or advising profitable, growth and acquisition oriented software companies. Mr. Gutman was the Chief Executive Officer of Speedware Corporation (“Speedware”) from 2001 to 2005 where he led the growth of the company from approximately \$15 million in revenues to \$62 million (\$16 million EBITDA) through a combination of acquisitions and successful execution of internal growth strategies. During this period, Speedware’s market capitalization increased from about \$5 million in 2001 to \$143 million in 2005 when it was sold to Activant Solutions Inc.

Frank Maw

Mr. Maw is the past President of Motorola Canada Limited having retired after 35 years of senior management experience in the information and communications technology and the consumer products industries. Mr. Maw is a graduate of the University of Western Ontario and has served as the Chairman of ITAC (Information and Telecommunications Technology Association of Canada), as a director on the Toronto Board of Trade, as the Chairman of the Canadian Wireless Telecommunications Association and President of the original Paging Services Council of Canada. Mr. Maw was the Chairman of Netistix Technologies Corporation which was acquired by the Company in December 2007.

Aly Rahemtulla

Mr. Rahemtulla is the President and Chief Executive Officer of BSM and also serves as a director of the Company. In addition to his role with the Company, Mr. Rahemtulla is also Chairman of ANR Capital Inc. and its subsidiary Onbelay Automotive Inc. Prior to joining BSM, Mr. Rahemtulla was a management consultant with A.T. Kearney Limited providing direction on corporate strategy to Fortune 100 corporations until 2004. With over 12 years of experience in executive roles, Mr. Rahemtulla has led numerous strategic initiatives and corporate developments. Mr. Rahemtulla holds an honours degree in business administration from the Richard Ivey School of Business at the University of Western Ontario, is a local chapter and international member of the Young Presidents of Ontario and is a member of the Institute of Corporate Directors (ICD.D.).

Pierre Bélanger

Mr. Bélanger is a Chartered Professional Accountant who brings more than 30 years of experience in senior management within renowned organizations such as Groupe Québecor, Télé-Métropole Inc. and Vidéotron Ltd.

where he successfully managed the merger of CF Cable TV Inc. from 1996 to 1997. He was also President of Capital Communications CDPQ from 1997 to 2002. During Mr. Bélanger's five years of leadership, the unit completed investments of over \$2 billion in partnership with major financial groups including The Blackstone Group L.P., The Carlyle Group, L.P. and GE Capital. Currently, Mr. Bélanger serves as President of Bel-Go Conseil Inc., a consulting services firm. Mr. Bélanger holds a Bachelor of Business Administration from the University of Sherbrooke.

John Gildner

Mr. Gildner has served as an Independent director of The Westaim Corporation since May 2009. Mr. Gildner is currently a private investor. Prior to 2009, Mr. Gildner was a Managing Director of CIBC World Markets Inc. ("CIBC"), an investment bank, where he worked for 25 years (at both CIBC and Wood Gundy Limited, which was purchased by the Canadian Imperial Bank of Commerce in 1988) in various roles within the trading operations. Most recently at CIBC, Mr. Gildner was head of the firm's equity division proprietary trading groups, where he had oversight of the firm's equity-related proprietary investing and trading strategies and activities. Mr. Gildner also served on several management, risk management, due diligence, and investment committees at the company. In these capacities, Mr. Gildner has had experience analyzing and evaluating financial results and the financial statements of public companies. In 2010, Mr. Gildner obtained the Chartered Director (C.Dir.) designation from the Directors College (a joint venture of McMaster University and The Conference Board of Canada). Mr. Gildner holds a Bachelor of Business Administration from Wilfrid Laurier University, having specialized in Economics.

Leonard Metcalfe

Mr. Metcalfe is the former Chairman, Chief Executive Officer and director of LMI Technologies Inc. ("LMI") and was with LMI from 1997 to 2011, when it was acquired by AUGUSTA Technologie AG. LMI supplied machine vision systems for various manufacturing industries from its offices in Canada, USA, Sweden, Ireland and the Netherlands. Mr. Metcalfe is a member of the International Society of Optical Engineers. Mr. Metcalfe received a Diploma of Technology in Control Electronics from the British Columbia Institute of Technology in Vancouver in 1973.

2.2.2. Cease Trade Orders, Bankruptcies, Penalties or Sanctions

The following information, not being within the knowledge of the Company, has been furnished by each respective Nominee.

No Nominee is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director or chief executive officer or chief financial officer of any company (including the Company) that: (a) was the subject of an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) 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 a director, chief executive officer or chief financial officer. For the purposes of this paragraph, "order" means 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 securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

No Nominee: (a) is, as at the date of this Circular, or was within 10 years before the date hereof a director or executive officer of a corporation (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with

creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or proposed director.

No Nominee has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investor decision.

2.3. Appointment of Auditors

The independent auditors of the Company are PricewaterhouseCoopers LLP, Chartered Accountants (“PwC”), located at PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario M5J 0B2. PwC were first appointed auditors of the Company on October 14, 2011. The Board reviews the annual audit fees and considers the issue of auditor independence in the context of all services provided to the Company. PwC did not have any reservation in their auditor's reports for the financial statements of the Company for the fiscal years ended September 30, 2015 and 2014. The directors of the Company propose to nominate PwC for re-appointment as the auditor of the Company to hold office until the next annual meeting of Shareholders.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE RESOLUTION AUTHORIZING THE APPOINTMENT OF PWC AS AUDITOR OF THE COMPANY TO HOLD OFFICE FOR THE ENSUING YEAR AT A REMUNERATION TO BE FIXED BY THE BOARD, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

2.4. Approval of the RSU Plan Resolution

The Board approved the adoption of the RSU Plan on April 7, 2014 and Shareholders subsequently approved it on May 15, 2014. On February 11, 2016, the Board approved the replenishment of previously redeemed RSUs and certain amendments to the RSU Plan (the “**RSU Plan Amendments**”) as set out below, subject to receipt of regulatory and Shareholder approval.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution in the form set out below (the “**RSU Plan Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, approving the replenishment of previously redeemed RSUs, the RSU Plan Amendments and all unallocated RSUs issuable pursuant to the RSU Plan. Please see “*Restricted Share Unit Plan*” for the current terms and conditions of the RSU Plan. After the Meeting, a copy of the RSU Plan, as amended, will be available under the Company’s profile on SEDAR at www.sedar.com.

RSU Replenishment

1,400,000 Common Shares were issuable under the RSU Plan as at May 15, 2014, the date on which the RSU Plan was approved, representing approximately 3.02% of the Common Shares issued and outstanding as at April 21, 2014. As of the date of this Circular, 1,119,725 RSUs have been issued under the RSU Plan, 110,873 RSUs were cancelled and 91,446 RSUs were redeemed under the RSU Plan resulting in the issuance of 91,446 Common Shares. 917,406 Common Shares remain issuable under outstanding RSUs (representing approximately 1.03% of the Common Shares issued and outstanding as at the date hereof). This leaves a reserve of 280,275 Common Shares issuable pursuant to future RSU awards, representing approximately 0.32% of the Common Shares issued and outstanding as at the date hereof. The number of RSUs issued in the fiscal year ended September 30, 2015, expressed as a percentage of the 89,855,602 Common Shares that were issued and outstanding as September 30, 2015, is 0.97%.

Upon replenishment of the 91,446 Common Shares which have been issued upon the redemption of previously granted and of the 110,873 Common Shares underlying the previously granted RSUs that have been cancelled, an aggregate of 1,400,000 Common Shares would be available for issuance upon the redemption of RSUs previously granted and RSUs available for future grants in the aggregate, representing approximately 1.57% of the current issued and outstanding Common Share (not including any additional RSUs that may be made available upon approval of the RSU Plan Amendments).

RSU Plan Amendments

At the Meeting, Shareholders will be asked to consider approving the RSU Plan Amendments, including:

1. increasing the maximum number of Common Shares reserved for issuance under the RSU Plan by 2,100,000, from 1,400,000 to 3,500,000, representing 3.94% of the current issued and outstanding Common Shares;
2. revising the provision relating to the treatment of Common Shares underlying RSUs which have expired, been cancelled or otherwise not redeemed to provide that any Common Shares subject to a RSU which has been granted under the RSU Plan and which has been cancelled, terminated or redeemed in accordance with the terms of the RSU Plan will be automatically available for grant of a new RSU under the RSU Plan;
3. replacing the definition of "Change of Control" with the following:

"Change of Control" means:

- (a) a consolidation, reorganization, amalgamation, merger, acquisition or other business combination (or plan of arrangement in connection with any of the foregoing), other than solely involving the Company and any one or more of its Affiliates, with respect to which all or substantially all of the Persons who were the beneficial owners of the Common Shares and other securities of the Company immediately prior to such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;
 - (b) a resolution is adopted to wind-up, dissolve or liquidate the Company;
 - (c) the sale, exchange or other disposition to a Person other than an Affiliate of the Company of all or substantially all of the Company's assets; or
 - (d) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change.";
4. revising the provision relating to the treatment of RSUs on a Change of Control of the Company in order to provide a "double trigger" such that RSUs will immediately vest only (i) on a Change of Control; and (ii) within 12 months of such Change of Control if the Company terminates the employment of the participant for any reason other than just cause;
 5. the following underlined revisions to the definition of "Termination", in order to clarify the notice period and timing for the entitlement of payments:

“**Termination**” means: (i) in the case of an Eligible Employee, the later of: (a) the date of notification of termination of the employment of the Eligible Employee, and (b) the last day of work following notification of termination of the employment of the Eligible Employee with or without cause by the Company or an Affiliate, in each case, without regard to any period of reasonable notice or severance that may follow notification or last day of work, except where required by applicable employment standards legislation or the cessation of employment of the Eligible Employee with the Company or an Affiliate as a result of the resignation or otherwise, other than the Retirement of the Eligible Employee; any Affiliate or the Eligible Consultant”;

6. revising the definition of “Eligible Employees” to include both full-time and part-time employees of the Company or an affiliate;
7. increasing the maximum number of Common Shares issuable to any one individual, at any time, pursuant to the RSU Plan and any other security-based compensation arrangements of the Company, to 5% of the total number of Common Shares then outstanding;
8. revising the provision relating to the treatment of RSUs on the retirement or termination of a participant to provide that all unvested RSUs credited to the participant will immediately terminate and be of no further force or effect; provided, however, that the CGN Committee will have the absolute discretion to modify the grant of the RSUs to provide that the unvested RSUs will vest immediately prior to a participant’s termination or retirement on such basis as the CGN Committee may determine in its absolute discretion;
9. adding a provision that provides that in the event that any RSU vests during, or within 24 hours after a self-imposed blackout period on the trading of securities of the Company, such expiry will occur on the day immediately following the end of the blackout period, or such 24 hour period, as applicable;
10. revising the amendment provision to provide that any amendment to the RSU Plan which would remove or exceed the insider participation limits imposed under the RSU Plan will require Shareholder approval; and
11. other amendments of a housekeeping nature.

Unallocated RSUs

As noted above, the RSU Plan Amendments include an amendment to provide that any Common Shares subject to a RSU which has been granted under the RSU Plan and which has been cancelled, terminated or redeemed in accordance with the terms of the Plan will be automatically available for grant of a new RSU under the RSU Plan. Pursuant to Section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by a majority of the issuer’s directors and by the issuer’s security holders every three years. If the RSU Plan Resolution is adopted, the RSU Plan will be considered an “evergreen” plan, because any issuance of Common Shares pursuant to the redemption of RSUs will automatically replenish the number of Common Shares available for RSU grants under the RSU Plan. Accordingly, at the Meeting, Shareholders will be asked to approve all unallocated RSUs issuable pursuant to the RSU Plan and thereafter, the TSX requires that the RSU Plan be submitted to Shareholders for ratification every three years.

The Board and management of the Company recommend the adoption of the RSU Plan Resolution. To be effective, the RSU Plan Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE RSU PLAN RESOLUTION, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST THE RESOLUTION.

The text of the resolution to be passed is set out below:

“BE IT RESOLVED THAT:

- (1) the replenishment of 91,446 common shares of BSM Technologies Inc. (the “**Company**”), which have been issued upon the redemption of previously granted restricted share units (“**RSUs**”) and the replenishment of 110,873 common shares underlying the previously granted RSUs that have been cancelled pursuant to the Company’s RSU plan (the “**RSU Plan**”) be and are hereby approved;
- (2) the amendments to the RSU Plan, as more particularly described in the Company’s management information circular dated February 11, 2016, be and are hereby approved;
- (3) all unallocated RSUs under the RSU Plan be and are hereby approved and the Company shall have the authority to grant RSUs under the RSU Plan until March 23, 2019;
- (4) any one or more directors or officers of the Company is hereby authorized, for and on behalf and in the name of the Company, to execute and deliver, whether under corporate seal of the Company or otherwise, all such agreements, forms, waivers, notices, certificate, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

2.5. Approval of the DSU Plan Resolution

The Board approved the adoption of the DSU Plan on April 7, 2014 and Shareholders subsequently approved it on May 15, 2014. On February 11, 2016, the Board approved the replenishment of previously redeemed DSUs and certain amendments to the DSU Plan (the “**DSU Plan Amendments**”) as set out below, subject to receipt of regulatory and Shareholder approval.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out below (the “**DSU Plan Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, approving the replenishment of previously redeemed DSUs, the DSU Plan Amendments and all unallocated DSUs issuable pursuant to the DSU Plan. Please see “*Deferred Share Unit Plan*” for the current terms and conditions of the DSU Plan. After the Meeting, a copy of the DSU Plan, as amended, will be available under the Company’s profile on SEDAR at www.sedar.com.

DSU Replenishment

400,000 Common Shares were issuable under the DSU Plan as at May 15, 2014, the date on which the DSU Plan was approved, representing approximately 0.86% of the Common Shares issued and outstanding as at April 21, 2014. As of the date of this Circular, 252,035 DSUs have been issued under the DSU Plan, of which 20,000 DSUs were redeemed under the DSU Plan resulting in the issuance of 20,000 Common Shares. 232,035 Common Shares remain issuable under outstanding DSUs (representing approximately 0.26% of the Common Shares issued and outstanding as at the date hereof). This leaves a reserve of 147,965 Common Shares issuable pursuant to future DSU awards under the DSU Plan, representing approximately 0.17% of the Common Shares issued and outstanding

as at the date hereof. The number of DSUs issued in the fiscal year ended September 30, 2015, expressed as a percentage of the 89,855,602 Common Shares that were issued and outstanding as September 30, 2015, is 0.05%.

Upon replenishment of the 20,000 Common Shares which have been issued upon the redemption of previously granted DSUs, an aggregate of 400,000 Common Shares would be available for issuance upon the redemption of DSUs previously granted and DSUs available for future grants in the aggregate, representing approximately 0.45% of the current issued and outstanding Common Shares (not including any additional DSUs that may be made available upon approval of the DSU Plan Amendments).

DSU Plan Amendments

At the Meeting, Shareholders will be asked to consider approving certain amendments to the DSU Plan, including:

1. increasing the maximum number of Common Shares reserved for issuance under the DSU Plan by 600,000, from 400,000 to 1,000,000, representing 1.12% of the current issued and outstanding Common Shares;
2. revising the provision relating to the treatment of Common Shares underlying DSUs which have expired, been cancelled or otherwise not redeemed to provide that any Common Shares subject to a DSU which has been granted under the DSU Plan and which has expired, been redeemed, cancelled or otherwise not redeemed in accordance with the terms of the DSU Plan will be automatically available for grant of a new DSU under the DSU Plan;
3. providing that the Company may require an Eligible Director (as defined in the DSU Plan) to receive a portion of his or her remuneration in the form of DSUs;
4. increasing the maximum number of Common Shares issuable to any one individual, at any time, pursuant to the DSU Plan and any other security-based compensation arrangements of the Company, to 5% of the total number of Common Shares then outstanding;
5. adding a provision that provides that in the event that the Separation Date (as defined in the DSU Plan) occurs during, or within 24 hours after a self-imposed blackout period on the trading of securities of the Company, the Separation Date will be deemed to occur on the day immediately following the end of the blackout period, or such 24 hour period, as applicable;
6. revising the amendment provision to provide that any amendment to the DSU Plan which would remove or exceed the insider participation limits imposed under the DSU Plan will require Shareholder approval; and
7. other amendments of a housekeeping nature.

Unallocated DSUs

As noted above, the DSU Plan Amendments include an amendment to provide that any Common Shares subject to a DSU which has been granted under the DSU Plan and which has expired, been redeemed, cancelled or otherwise not redeemed in accordance with the terms of the Plan will be automatically available for grant of a new DSU under the Plan. Pursuant to Section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by a majority of the issuer's directors and by the issuer's security holders every three years. If the DSU Plan Resolution is adopted, the DSU Plan will be considered an "evergreen" plan, because any issuance of Common Shares pursuant to the redemption of DSUs will automatically replenish the number of Common Shares available for DSU grants under the DSU Plan. Accordingly, at the Meeting, Shareholders will be asked to approve all unallocated DSUs issuable pursuant to the DSU Plan and thereafter, the TSX requires that the DSU Plan be submitted to Shareholders for ratification every three years.

The Board and management of the Company recommend the adoption of the DSU Plan Resolution. To be effective, the DSU Plan Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE DSU PLAN RESOLUTION, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST THE RESOLUTION.

The text of the resolution to be passed is set out below:

“BE IT RESOLVED THAT:

- (1) the replenishment of 20,000 common shares of BSM Technologies Inc. (the “**Company**”), which have been issued upon the redemption of previously granted deferred share units (“**DSUs**”) pursuant to the Company’s DSU plan (the “**DSU Plan**”) be and are hereby approved;
- (2) the amendments to the DSU Plan, as more particularly described in the Company’s management information circular dated February 11, 2016, be and are hereby approved;
- (3) all unallocated DSUs under the DSU Plan are hereby approved and the Company shall have the authority to grant DSUs under the DSU Plan until March 23, 2019;
- (4) any one or more directors or officers of the Company is hereby authorized, for and on behalf and in the name of the Company, to execute and deliver, whether under corporate seal of the Company or otherwise, all such agreements, forms, waivers, notices, certificate, confirmations and other documents and instruments, and to do or cause to be done all such other acts and things, as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.”

2.6. Other Business

If other items of business are properly brought before the Meeting or any adjournment thereof, you (or your proxyholder, if you are voting by proxy) can vote as you see fit. We are not aware of any other items of business to be considered at the Meeting.

3. EXECUTIVE COMPENSATION

3.1. Compensation Discussion and Analysis

The CGN Committee oversees the Company’s compensation practices and makes compensation-related decisions and recommendations to the Board regarding compensation and equity incentive plans for the executive officers of the Company. Broadly speaking, the Company’s compensation objectives are to provide appropriate rewards for past performance, align and motivate future performance towards corporate objectives within the framework of accepted risk tolerances, and to maximize retention.

All executive compensation components and levels thereof are reviewed annually by the CGN Committee. The CGN Committee makes a recommendation to the Board in setting compensation for executive officers each year. These recommendations are considered by, and subject to final approval of, the Board.

As of the date of this Circular, the CGN Committee was comprised of Mr. Frank Maw (Chair), Mr. Andrew Gutman and Mr. Leonard Metcalfe.

The CGN Committee's assessment of corporate performance is based on a number of qualitative and/or quantitative factors including achievement of financial targets, execution of on-going projects and transactions, operational performance and progress on key growth initiatives. The CGN Committee's decisions with respect to compensation for NEOs (as defined below) for the fiscal year ended September 30, 2015 are noted below, please see "*Compensation Decisions made for Fiscal 2015*".

3.1.1. Named Executive Officer

For the purposes of this Circular, a named executive officer ("**NEO**") of the Company means each of the following individuals:

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

For the fiscal year ended September 30, 2015, the Company had five NEOs:

- (a) Aly Rahemtulla, President and CEO;
- (b) Louis De Jong, CFO and Corporate Secretary;
- (c) Alban Hoxha, Chief Technology Officer ("**CTO**");
- (d) Suresh Periyalwar, Chief Operating Officer ("**COO**"); and
- (e) Stewart Pinos, Chief Commercial Officer ("**CCO**").

3.1.2. Objectives of the Compensation Program

The objectives of the Company's executive compensation program are to:

- (1) reward individual contributions in light of overall business results;
- (2) be competitive with the companies with whom the Company competes for talent;
- (3) align the interests of the executives with the interests of Shareholders; and
- (4) attract and retain executives who can help the Company achieve its objectives.

3.1.3. Market Benchmarking

It is a key element of the Company's compensation philosophy that compensation be competitive with the market. Consequently, the Company engaged Towers Watson Canada Inc. ("**Towers Watson**") in September 2013, as compensation consultants to prepare reports (the "**Compensation Reports**") on compensation paid to executive officers and directors of the Company and the Comparator Group (as defined below).

Specifically, Towers Watson reviewed a selection of 10 publicly-traded organizations (the "**Comparator Group**"), with the following attributes:

- Same or similar industry based on global industry classification standard: systems software, application software, communications equipment, internet software and services and, and electronic equipment and instruments;
- Revenue: between 0.5x and 2.0x a projected annual revenue of \$50,000,000;
- Market capitalization: between 0.75x and 3x the Company's appropriate market capitalization of \$100,000,000.00 (as at October 31, 2013); and
- EBITDA (as defined below): greater than \$0.00.

EBITDA means the financial results generated by the Company excluding: (i) the impact of any financing activities; (ii) amortization of property, equipment and intangible assets; (iii) write-off of goodwill; (iv) taxes with respect to various jurisdictions; and (v) share-based compensation expenses.

Based on the criteria above, the Compensation Reports evaluated the salaries of certain executive officers and directors of the Company against the following Comparator Group:

Comparator Group:	Business Description:
Absolute Software Corporation (" Absolute ")	Absolute, together with its subsidiaries, provides firmware persistent endpoint security and management solutions for computing devices such as computers, tablets and smartphones.
Solium Capital Inc. (" Solium ")	Solium, together with its subsidiaries, provides technology and services supporting the administration of equity-based incentive plans.
Pure Technologies Ltd. (" Pure ")	Pure, together with its subsidiaries, develops and applies innovative technologies for inspection, monitoring and management of physical infrastructure.
AgJunction Inc. (" AgJunction ")	AgJunction, together with its subsidiaries, designs, manufactures and markets products and applications incorporating global navigation satellite system technology.
Redline Communications Group Inc. (" Redline ")	Redline, together with its subsidiaries, designs, manufactures and sells ruggedized outdoor, fixed and nomadic broadband wireless products.
Tecsys Inc. (" Tecsys ")	Tecsys, together with its subsidiaries, operates in the supply chain execution market
Webtech Wireless Inc.	Webtech, together with its subsidiaries, develops, manufactures and sells wireless global positioning system solutions designed for fleet management.
CounterPath Corporation (" CounterPath ")	CounterPath, together with its subsidiaries, designs, develops, markets and sells personal computer and mobile application software, gateway server software and related professional services.

Comparator Group:	Business Description:
Symbility Solutions Inc. (“Symbility”)	Symbility, together with its subsidiaries, develops innovative software-as-a-service technology to solve process and communication inefficiencies .
Sandvine Corporation (“Sandvine”)	Sandvine, together with its subsidiaries, develops bandwidth management solutions.

3.1.4. Executive Compensation – Related Fees

During the two most recent completed fiscal years ended September 30, 2015 and 2014, the Company paid the following fees to consultants or advisors for services related to assisting in determining compensation for the Company’s directors and executive officers:

Consultant	Fiscal Year Ended September 30, 2015	Fiscal Year Ended September 30, 2014
	(\$)	(\$)
Towers Watson ⁽¹⁾	N/A	28,250

Note:

(1) As consideration for preparation of the Compensation Reports.

3.1.5. Elements of Executive Compensation

Executive officers are entitled to receive the following compensation: (i) base salary, (ii) short-term incentives in the form of an annual contingent performance cash bonus plan (the “Performance Plan”), (iii) long-term incentives in the form of Options and RSUs, and (iv) personal benefits and perquisites. To attract and retain top talent, base salary is generally targeted near the mean of comparator market peers (excluding outliers) and performance-based compensation occurs through the awarding of variable short-term (pursuant to the Performance Plan) and long-term (Options and RSUs) incentive compensation.

The allocation of compensation among these different compensation elements is flexible and is intended to reflect market practices as well as the CGN Committee’s discretionary assessment of an executive officer’s past contribution and ability to contribute to future short-term and long-term business results. The CGN Committee understands that retention of executive officers is critical to business continuity and succession planning of the Company.

Base Salary

Base salary is intended to attract and adequately remunerate executive officers for properly fulfilling the minimum requirements of their position. Base salary provides compensation certainty to executive officers and allows them to make decisions that may be beneficial to the Company, or its stakeholders, independent of considering the impact such decisions might have on their compensation that is tied to either short-term or long-term corporate performance. Base salaries for executive officers are reviewed annually by the CGN Committee and typically, are targeted at the mean of the Comparator Group (excluding outliers). An executive officer’s base salary is determined by the CGN Committee and is based on individual performance, the scope of the executive officer’s role within the Company, retention considerations and/or material differences in an executive officer’s responsibilities compared with similar roles in the Comparator Group.

Short-term Incentives

The Company provides short-term incentive compensation through the Performance Plan. In the process of creating and approving the annual budget, the Company establishes key objectives for the Performance Plan with respect to (i) revenue; (ii) adjusted EBITDA (“Adjusted EBITDA”); and (iii) certain strategic objectives for personal

performance. Adjusted EBITDA means the financial results generated by the Company's business activities excluding:

- the impact of any financing activities;
- amortization of property, equipment and intangible assets;
- write-off of goodwill;
- taxes with respect to various jurisdictions;
- share-based compensation expense;
- acquisition and integration related costs;
- restructuring and related costs;
- fair value adjustment on contingent consideration;
- impairments to any financial and non-financial assets; and
- costs related to legal actions.

The CGN Committee may recommend to the Board that it exercise discretion in relation to the attainment of any of the performance goals outlined above, although, absent exigent circumstances, it will generally not do so. Although the Company did not achieve the minimum revenue or Adjusted EBITDA financial targets in the Performance Plan for the fiscal year ended September 30, 2015, certain strategic objectives were attained by certain NEOs and short-term incentive compensation was paid to the NEOs. In addition, certain NEOs received an additional transaction bonus for services rendered in connection with the Arrangement. For further information on the 2015 Performance Plan, please see *"Compensation Decisions Made for the Fiscal Year Ended September 30, 2015"* below.

Long-term Incentives – Options and RSUs

The Company provides long-term incentive compensation to executives through the granting of Options and RSUs. These long-term incentive arrangements are designed to motivate executives to achieve longer-term sustainable business results, to align their interests with those of Shareholders and to attract and retain key executives and employees. The Company has determined that RSUs provide greater tangible benefits to the Company than typical Options due to their enhanced ability to attract, retain and encourage both current and potential employees by affording them the opportunity to acquire a proprietary interest in the Company. RSUs tie pay to performance because the value of the RSUs when they vest is based solely on the share price at that time. Thus, declines in share price have a negative impact on executive pay, while increases have a positive impact. In addition, the three-year annual vesting period for RSUs pursuant to the terms of the RSU Plan, serves as a retention tool for executives.

For a more detailed description of the considerations involved in granting Options and RSUs, please see *"Share-Based and Option-Based Awards"* below.

Benefits and Other Compensation

The Company provides a management benefit plan to its NEOs, which include, health, medical and insurance benefits, along with a health spending account. In addition, the President and CEO also receives a car allowance and memberships with the Young Presidents of Ontario and the Institute of Corporate Directors, ICD.D. The

Company believes its benefits program is reasonable and consistent with its overall executive compensation program and is based on competitive market practices.

3.1.6. How the Company Determines Compensation

The Role of the Compensation, Governance & Nominating Committee

On November 6, 2015, the Board approved the change in name from Human Resources, Compensation, Governance and Nominating Committee to the Compensation, Governance and Nominating Committee in order to simplify and better reflect the mandate of the committee. On December 10, 2015, the CGN Committee approved certain amendments to its mandate, which was subsequently approved by the Board on December 16, 2015.

The CGN Committee is responsible for, among other things, making recommendations to the Board with respect to remuneration of executives of the Company. In doing so, the CGN Committee works closely with the CEO to establish compensation benchmarks for executives and to evaluate whether these benchmarks are achieved. All executive compensation components and levels thereof are reviewed annually by the CGN Committee and are subject to review and final approval of the Board. The Board has ultimate discretion to increase or decrease, any and all elements of compensation.

For the fiscal year ended September 30, 2015, the Board accepted all of the recommendations of the CGN Committee. The CGN Committee has full discretion to adopt or alter management recommendations or to consult its own external advisors.

The CGN Committee believes it is important to follow appropriate governance practices in carrying out its responsibilities with respect to the development and administration of executive compensation and benefit programs. Governance practices followed by the CGN Committee include holding *in-camera* sessions without management present and, when necessary, obtaining advice from external consultants.

The Role of Management

The CEO plays an important role in the compensation decision-making process. The CGN Committee engages in active discussions with the CEO concerning the determination of performance objectives, including individual goals and initiatives for executive officers, and whether, and to what extent, objectives for the previous year have been achieved for those individuals. The CEO also submits a self-assessment of his own individual performance objectives and/or results achieved to the CGN Committee.

The CEO makes recommendations to the CGN Committee regarding the amount and type of compensation awards for other members of executive management. Other than individual and corporate goal setting and benchmarking, the CEO does not engage in discussions with the CGN Committee regarding his own compensation. The CGN Committee makes its own determination regarding the CEO's compensation, guided by an assessment of whether the Company met or exceeded its performance goals for the year in question and the CEO's success in meeting his individual goals, and makes a recommendation to the Board.

The CGN Committee, in consultation with the CEO, reviews the achievements and overall contribution of each of the individual executive officers who reports to the CEO. The CGN Committee has *in-camera* discussions to complete an independent assessment of the performance of the CEO. The CGN Committee then determines the overall individual performance for each of the individual executive officers and considers this before making a recommendation to the Board.

Corporate Performance

The Board approves an annual strategic plan outlining corporate objectives in line with the Company's key long-term strategies for growth and value creation. These quantitative and qualitative objectives are utilized by the CGN Committee when making compensation recommendations to the Board for executive officers.

At the end of each year, the CGN Committee reviews the results achieved and discusses them with management. For the purposes of compensation deliberations, the CGN Committee reviews actual corporate performance relative to an expected level of performance. The overall corporate performance provides context for the CGN Committee's review of individual performance by the executive officers.

Individual Performance

The CGN Committee may recommend to the Board that certain annual individual performance objectives for the executive officers that are intended to align with the Company's corporate objectives and reflect key performance areas for each executive officer relative to his or her specific role. As with the corporate objectives, individual executive officers' performance objectives may include a combination of quantitative and qualitative measures.

An executive officer's compensation relative to other executive officers and other employees is generally considered in establishing compensation levels. The difference between one executive officer's compensation and that of another executive officer reflects, in part, the difference in their relative responsibilities.

3.1.7. Performance Graph

The following graph compares the annual total cumulative Shareholder return for an investment in Common Shares against the annual total cumulative return of the S&P/TSX Composite Index during the period commencing on October 1, 2010, and ending September 30, 2015, assuming an initial investment of \$100.00.



The salary and bonuses awarded to NEOs increased from fiscal year 2010 through fiscal year 2015 and did not necessarily reflect the trend of share prices reflected in the graph above. As previously described, the compensation for NEOs is influenced by a variety of factors including corporate and individual performance as well as the share price performance. The main objective of the base salary and non-equity incentive elements of compensation is to motivate and reward corporate and individual performance for objectives designed to increase the Company's share price in the mid to long term. The Company does not consider share price to be an adequate measure of NEO performance without regard to the other corporate measures discussed above.

3.1.8. Compensation Decisions Made for the Fiscal Year Ended September 30, 2015

For the purposes of making compensation recommendations to the Board, the CGN Committee reviewed corporate performance results for the fiscal year ended September 30, 2015, against the 2015 Performance Plan. The CGN Committee used this information to assist in determining an overall rating of corporate performance to provide general context for the review of individual performance by the NEOs.

The Company's Performance Plan financial targets for the fiscal year ended September 30, 2015, were split into two periods: (i) October 1, 2014, to March 31, 2015 (the "First Performance Period"); and (ii) June 1, 2015 to September 30, 2015 (the "Second Performance Period").

The Company's Performance Plan for the First Performance Period included the following quantitative financial targets:

Financial Metric:	Financial Target
Revenue ⁽¹⁾	18,682,797
Adjusted EBITDA ⁽²⁾	1,591,388

Notes:

(1) Revenue excludes any acquisitions made by the Company during the fiscal year ended September 30, 2015.

(2) Adjusted EBITDA is presented prior to the inclusion of any applicable performance bonuses.

The Company did not achieve the Company's financial targets for the First Performance Period and, as a result, the NEOs did not receive compensation pursuant to the Performance Plan for the First Performance Period.

The Company's Performance Plan for the Second Performance Period included qualitative strategic objectives as well as the following quantitative financial targets:

Financial Metric:	Financial Target
Revenue ⁽¹⁾	17,565,540
Adjusted EBITDA ⁽²⁾	1,740,731

Notes:

(1) Revenue excludes any acquisitions made by the Company during the fiscal year ended September 30, 2015.

(2) Adjusted EBITDA is presented prior to the inclusion of any applicable performance bonuses.

The Company did not achieve its quantitative financial targets for the Second Performance Period and, as a result, the NEOs did not receive compensation pursuant to the Performance Plan for the Second Performance Period. Messrs. Rahemtulla, De Jong and Hoxha did meet certain personal and organizational strategic objectives included in the Performance Plan in the Second Performance Period and received compensation for these achievements for the fiscal year ended September 30, 2015. In particular, Mr. Rahemtulla received \$15,000, Mr. De Jong received \$25,000 and Mr. Hoxha received \$18,000, less applicable source deductions, for achieving certain strategic objectives during the fiscal year ended September 30, 2015. Furthermore, in consideration of the services rendered by Messrs. Rahemtulla and De Jong in connection with the Arrangement, Mr. Rahemtulla received a one-time transaction bonus of \$60,000, less applicable source deductions, and Mr. De Jong received a one-time transaction bonus of \$50,000, less applicable source deductions.

Further information regarding the Company's corporate financial and business performance can be found in the Company's 2015 F/S and 2015 MD&A filed on the Company's profile on SEDAR at www.sedar.com.

3.1.9. Share-Based and Option-Based Awards

On August 17, 2015, the Board approved the adoption of the Second Amended and Restated Stock Option Plan (the "Option Plan"), which was subsequently approved by Shareholders on September 23, 2015. Participants in the Option Plan benefit only if the market value of the Common Shares at the time of Option exercise is greater than

the exercise price of the Options at the time of grant. For a more detailed description of the Option Plan, please see "*Second Amended and Restated Stock Option Plan*".

The granting of Options and vesting periods are recommended by the CGN Committee and approved by the Board. The CGN Committee takes into consideration a number of factors prior to the grant of Options including, but not limited to, an individual's level of responsibility within the Company, previous Option grants and the individual's status in light of their position, ongoing responsibilities and prevailing market conditions. The NEOs are instrumental in making recommendations to the CGN Committee for Options granted to other employees. In the context of the Company's evolving compensation philosophy, policies and practices, the CGN Committee reviews the criteria for granting Options during its ongoing review of the Company's compensation philosophy, policies and practices.

On April 7, 2014, the Board approved the adoption of the RSU Plan, which was subsequently approved by Shareholders on May 15, 2014. The Board subsequently approved certain housekeeping amendments to the RSU Plan on September 23, 2015. Participants benefit only if they remain with the Company three years from the grant date of any RSUs, after which they will be issued a Common Share of the Company. For a more detailed description of the RSU Plan, please see "*Restricted Share Unit Plan*".

The granting of RSUs are recommended by the CGN Committee and approved by the Board. Grants of RSUs are made both on a discretionary basis and, for executive officers, based on the criteria set forth below. Generally, RSU grants will be made after the release of the Company's annual audited consolidated financial statements. Both the CGN Committee and the Board review previous share-based and option-based awards when considering new grants. In addition, subject to the terms and conditions of the RSU Plan, generally, the amount of RSUs granted to executives will be based determined in accordance with the following formula: (i) the previous fiscal year's base salary; plus (ii) the previous fiscal year's Performance Plan bonus award, if any; multiplied by (iii) 40%; divided by (iv) the volume weighted average price of the Common Shares, as reported on the TSX, for the Company's previous fiscal year.

3.1.10. Compensation Risk

The Company's compensation policies alleviate risk by having a balance of short-term and long-term compensation. For example, Options and RSUs typically do not vest immediately, which allows for continued appreciation and does not jeopardize the Company. The CGN Committee is confident that its compensation policies and practices will not lead to inappropriate or excessive risk taking on the part of any employees of the Company. However, the CGN Committee has not specifically considered the implications of the risks associated with the Company's compensation policies or practices.

3.1.11. Financial Instruments

Pursuant to the Company's insider trading policy, NEOs are prohibited from engaging in the following transactions with respect to the Company's securities: (i) short sales; (ii) monetization of equity awards (e.g. Options, RSUs or DSUs) before vesting; (iii) transactions in derivatives on the Company's securities such as put and call options; and (iv) any other hedging or equity monetization transactions where the NEO's economic interest and risk exposure in the Company's securities are changed, such as collars or forward sale contracts. To the Company's knowledge, no NEO or director of the Company has entered into or purchased any such financial instruments.

3.2. Summary Compensation Table – Named Executive Officers

The following table sets forth the compensation awarded or paid to the Company's NEOs for the last three fiscal years ended September 30:

Name and Principal position	Year	Salary	Share-Based Awards ⁽¹⁾	Option-Based Awards ⁽²⁾	Non-equity Incentive Plan Compensation		Pension Value ⁽⁴⁾	All Other Compensation ⁽⁵⁾	Total Compensation
					Annual Incentive Plans	Long-term Incentive Plans			
					(\$)	(\$)			
Aly Rahemtulla ⁽⁶⁾ President & CEO (June 16, 2008 - Present)	2015	300,000	437,469	Nil	75,000 ⁽¹⁰⁾	Nil	Nil	37,235	849,704
	2014	275,000	Nil	Nil	Nil	Nil	Nil	52,199	327,199
	2013	235,000	Nil	168,380 ⁽³⁾	221,662	Nil	Nil	18,000	643,042
Louis De Jong ⁽⁷⁾ CFO and Corporate Secretary (January 15, 2014 - Present)	2015	250,000	169,932	Nil	75,000 ⁽¹¹⁾	Nil	Nil	6,770	501,702
	2014	166,110	Nil	266,438	Nil	Nil	Nil	2,500	435,048
	2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Suresh Periyalwar ⁽⁸⁾ Former COO (March 19, 2013 – April 30, 2015)	2015	154,229	169,932	Nil	Nil	Nil	Nil	14,041	338,202
	2014	235,000	Nil	115,314	Nil	Nil	Nil	55,020	405,334
	2013	92,435	Nil	140,058 ⁽³⁾	98,958	Nil	Nil	Nil	331,451
Alban Hoxha CTO (May 16, 2011 – Present)	2015	195,000	51,800	Nil	18,000 ⁽¹²⁾	Nil	Nil	6,770	271,570
	2014	170,250	Nil	Nil	Nil	Nil	Nil	2,500	172,750
	2013	165,000	Nil	93,372 ⁽³⁾	96,000	Nil	Nil	Nil	354,372
Stewart Pinos ⁽⁹⁾ Former CCO (October 1, 2014 – October 5, 2015)	2015	225,000	74,000	134,367	28,125 ⁽¹³⁾	Nil	Nil	9,583	471,074
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The amounts reflected relate to RSU grants. The fair value of RSUs is calculated based on the market value of the Common Shares at the time of issuance of RSUs.
- (2) The fair value of the Options was calculated by using the Black-Scholes option pricing model as follows: (i) for Options granted during the fiscal year ended September 30, 2015, by assuming a risk-free interest rate of 1.0%, a dividend yield of nil, the expected annual volatility of the Company's share price of 59.6%, an expected forfeiture rate of 0% and an expected life of the Options of three years (ii) for Options granted during the fiscal year ended September 30, 2014, by assuming a risk-free interest rate of 1.0%, a dividend yield of nil, the expected annual volatility of the Company's share price of 54%, an expected forfeiture rate of 0% and an expected life of the Options of three years; (iii) for Options granted during the fiscal year ended September 30, 2013 by assuming a risk free interest rate of 1.0%, a dividend yield of nil, the expected volatility of the Company's share price of 64% and expected life of the Option of three years. These granted Options may or may not ever be exercised. Whether granted options are exercised or not will be based primarily, but not singularly, on the Company's future stock price and whether the granted Options become "in-the-money". Amounts disclosed are calculated based on the number of Options granted in a given year multiplied by the fair value per Option calculated thereon using the Black-Scholes option pricing model as described above.
- (3) The figures reflected for 2013 in the management information circular dated April 21, 2014, were incorrect and are corrected herein. The difference between the incorrect and correct numbers was approximately 8%.
- (4) The Company currently does not have a defined benefit plan or a defined contribution plan.
- (5) "All other compensation" includes, variously, reimbursement for health, medical and insurance benefits. In the case of: (i) Mr. Rahemtulla, "all other compensation" also includes an annual car allowance and professional memberships; (ii) Mr. Periyalwar, "all other compensation" also includes a one-time relocation reimbursement; and (iii) Messrs. Rahemtulla, De Jong, Pinos and Periyalwar, "all other compensation" also includes an RRSP matching contribution from the Company in an amount up to 6% of their annual base salary per year, if a contribution is made. Subject to the terms and condition of the applicable employment agreement, the Company does not have an obligation to make any further payments or contributions to the benefit of any such persons upon ceasing to be employed by the Company.
- (6) Mr. Rahemtulla did not receive any compensation for his role as a director of the Company.
- (7) Mr. Louis De Jong was named CFO on January 15, 2014 and Corporate Secretary on April 7, 2014.
- (8) Mr. Periyalwar ceased to be the Company's COO on April 30, 2015.

- (9) Mr. Pinos ceased to be the Company's CCO on October 5, 2015.
- (10) Pursuant to the Performance Plan, Mr. Rahemtulla received \$15,000, less applicable source deductions, for achieving certain personal and organizational strategic objectives during the fiscal year ended September 30, 2015. In consideration of services rendered in connection with the Arrangement, Mr. Rahemtulla received a one-time transaction bonus of \$60,000, less applicable source deductions.
- (11) Pursuant to the Performance Plan, Mr. De Jong received \$25,000, less applicable source deductions, for achieving certain personal and organizational strategic objectives during the fiscal year ended September 30, 2015. In consideration of services rendered in connection with the Arrangement, Mr. De Jong received a one-time transaction bonus of \$50,000, less applicable source deductions.
- (12) Pursuant to the Performance Plan, Mr. Hoxha received \$18,000, less applicable source deductions, for achieving certain personal and organizational strategic objectives during the fiscal year ended September 30, 2015.
- (13) Mr. Pinos received \$28,125, less applicable source deductions, in connection with his departure from the Company.

3.3. Incentive Plan Awards – Named Executive Officers

3.3.1. Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all Option and share-based awards outstanding for each NEO of the Company as of September 30, 2015:

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 ⁽¹⁾	Number of shares or units of shares that have not vested ⁽²⁾	Market or payout value of share-based awards that have not vested ⁽³⁾⁽⁴⁾	Market or payout value of vested share based awards not paid out or distributed ⁽⁴⁾
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Aly Rahemtulla President & CEO (June 16, 2008 - Present)	270,500	1.45	Jan 15/18	Nil	295,587	266,028	Nil
Louis De Jong CFO and Corporate Secretary (January 15, 2014 - Present)	100,000 225,000	1.45 3.21	Jan 15/18 Jan 6/19	Nil Nil	114,819	103,337	Nil
Suresh Periyalwar⁽⁵⁾ Former COO (March 19, 2013 – April 30, 2015)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alban Hoxha CTO (May 16, 2011 – Present)	142,500	1.45	Jan 15/18	Nil	35,000	31,500	Nil
Stewart Pinos⁽⁶⁾ Former CCO (October 1, 2014 – October 5, 2015)	225,000	1.48	Dec 18/19	Nil	50,000	45,000	Nil

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Common Shares on the TSX Venture Exchange ("TSXV") on September 30, 2015, which was \$0.90, and the Option exercise price by the number of outstanding Options. Where the difference is

negative, the Options are not “in-the-money” and no value is ascribed. These granted options may or may not ever be exercised. Whether granted Options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted Options become “in-the-money”.

- (2) Represents grants under the RSU Plan during the fiscal year ended September 30, 2015.
- (3) Calculated by multiplying the number of RSUs outstanding as at September 30, 2015 by the closing price of the Common Shares on the TSXV at that date, which was \$0.90.
- (4) RSUs are not exercisable until the third anniversary of the date of the RSU grant.
- (5) Mr. Periyalwar ceased to be the Company’s COO on April 30, 2015.
- (6) Mr. Pinos ceased to be the Company’s CCO on October 5, 2015.

3.3.2. Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of the NEOs, the value of Option and share-based awards which vested during the year ended September 30, 2015 and the value of non-equity incentive plan compensation earned during the year ended September 30, 2015:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year ⁽²⁾⁽³⁾	Non-equity incentive plan compensation – Value earned during the year
	\$	\$	\$
Aly Rahemtulla President & CEO (June 16, 2008 - Present)	Nil	Nil	75,000
Louis De Jong CFO and Corporate Secretary (January 15, 2014 - Present)	Nil	Nil	75,000
Suresh Periyalwar⁽⁴⁾ Former COO (March 19, 2013 – April 30, 2015)	Nil	Nil	Nil
Alban Hoxha CTO (May 16, 2011 – Present)	Nil	Nil	18,000
Stewart Pinos⁽⁵⁾ Former CCO (October 1, 2014 – October 5, 2015)	Nil	Nil	28,125

Notes:

- (1) Calculated by multiplying the difference between the market price of the Common Shares on the vesting date and the exercise price of the Options by the number of Options. Where the difference is negative, the Options are not “in-the-money” and no value is ascribed. These granted Options may or may not ever be exercised. Whether granted Options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted Options become “in-the-money”.
- (2) RSUs are not exercisable until the third anniversary of the date of the RSU grant.
- (3) Calculated by multiplying the number of RSUs by the market price of the Common Shares on the TSX on the vesting date.
- (4) Mr. Periyalwar ceased to be the Company’s COO on April 30, 2015.
- (5) Mr. Pinos ceased to be the Company’s CCO on October 5, 2015.

3.3.3. Pension Plan Benefits

No benefits were paid and no benefits are proposed to be paid to any of the NEOs under any pension or retirement plan.

3.4. Management Agreements and Termination and Change of Control Benefits

Employee Agreements

The material terms and conditions of the NEO employment agreements are set out below:

Aly Rahemtulla

Mr. Rahemtulla provides services as President and CEO of the Company pursuant to an employment agreement dated December 1, 2012 (the “**Rahemtulla Employment Agreement**”).

Pursuant to the Rahemtulla Employment Agreement, Mr. Rahemtulla is currently entitled to (i) a base salary which is reviewed annually by the CGN Committee and the Board; (ii) a discretionary performance bonus for each fiscal year of the Company, up to 100% of his annual base salary, subject to the achievement of milestones and conditions to be outlined annually by the Board; (iii) participation in the Company’s management benefit plans; (iv) participation in the Option Plan; (v) participation in the RSU Plan; (vi) reimbursement of his reasonable expenses in connection with the business of the Company; (vii) participate in the Company’s RRSP matching plan whereby the Company will match 100% of Mr. Rahemtulla’s personal RRSP contribution, if any, up to a maximum of 6% of Mr. Rahemtulla’s annual base salary per year (viii) an annual car allowance; and (ix) professional development fees.

Mr. Rahemtulla’s annual performance bonus, if any, will be paid (subject to the foregoing provisions) in cash, within a reasonable period after the end of the applicable fiscal year. The Rahemtulla Employment Agreement is for an indefinite term, unless the employment of Mr. Rahemtulla is terminated earlier in accordance with the provisions of the Rahemtulla Employment Agreement.

Louis De Jong

Mr. De Jong provides services as CFO and Corporate Secretary of the Company pursuant to an employment agreement dated February 11, 2016 (the “**De Jong Employment Agreement**”). Pursuant to the De Jong Employment Agreement, Mr. De Jong is currently entitled to (i) a base salary which is reviewed annually by the CGN Committee and the Board; (ii) participation in the Company’s equity incentive plans, including the Option Plan and the RSU Plan; (iii) participation in the Company’s Performance Plan, as may be amended from time to time, which has the potential to pay up to 100% of his annual base salary, subject to the achievement of certain quantitative and qualitative targets that are determined annually by the CGN Committee and the Board; (iv) participation in the Company’s executive benefits plan, including a health spending account; (v) reimbursement of his reasonable expenses in connection with the business of the Company; and (vi) participation in the Company’s RRSP matching plan whereby the Company will match 100% of Mr. De Jong’s personal RRSP contribution in a calendar year, if any, up to a maximum of 5% of Mr. De Jong’s annual base salary per year.

Subject to the terms and conditions of the Performance Plan, Mr. De Jong’s annual performance bonus, if any, will be paid in cash, less applicable source deductions, within a reasonable period after the end of the applicable fiscal year. The De Jong Employment Agreement is for an indefinite term, unless the employment of Mr. De Jong is terminated earlier in accordance with the provisions of the De Jong Employment Agreement.

Alban Hoxha

Mr. Hoxha provides services as CTO of the Company pursuant to an employment agreement dated February 1, 2016 (the “**Hoxha Employment Agreement**”). Pursuant to the Hoxha Employment Agreement, Mr. Hoxha is currently entitled to (i) a base salary which is reviewed annually by the CGN Committee and the Board; (ii) participation in the Company’s equity incentive plans, including the Option Plan and the RSU Plan; (iii) participation in the Company’s Performance Plan, as may be amended from time to time, which has the potential to pay up to 100% of his annual base salary, subject to the achievement of certain quantitative and qualitative targets that are

determined annually by the CGN Committee and the Board; (iv) participation in the Company's executive benefits plan, including a health spending account; (v) reimbursement of his reasonable expenses in connection with the business of the Company; and (vi) participation in the Company's RRSP matching plan whereby the Company will match 100% of Mr. Hoxha's personal RRSP contribution in a calendar year, if any, up to a maximum of 5% of Mr. Hoxha's annual base salary per year.

Subject to the terms and conditions of the Performance Plan, Mr. Hoxha's annual performance bonus, if any, will be paid in cash, less applicable source deductions, within a reasonable period after the end of the applicable fiscal year. The Hoxha Employment Agreement is for an indefinite term, unless the employment of Mr. Hoxha is terminated earlier in accordance with the provisions of the Hoxha Employment Agreement.

Suresh Periyalwar

Mr. Periyalwar retired from his role as COO effective April 30, 2015 and did not receive any termination payment in connection therewith.

Stewart Pinos

Mr. Pinos ceased being the CCO of the Company on October 5, 2015. As part of Mr. Pinos' entitlement, Mr. Pinos has received the following, less applicable statutory deductions: (i) \$225,000.00 as pay in lieu of notice, (ii) \$18,865 as vacation pay.

3.5. Estimated Incremental Payments on Change of Control, Termination Without Cause, All Other Termination

3.5.1. Payments on Change of Control

Rahemtulla

Pursuant to the Rahemtulla Employment Agreement, Mr. Rahemtulla may resign his employment at any time for Good Reason (as defined below) within 60 calendar days after the occurrence of Good Reason comes to, or ought to have come to, Mr. Rahemtulla's attention by giving written notice of resignation for Good Reason to the Company. In such a case, the effective date of the resignation for Good Reason shall be 60 days from the date such written notice is delivered, unless Mr. Rahemtulla and the Company mutually agree otherwise. Upon Mr. Rahemtulla's resignation for Good Reason, Mr. Rahemtulla is entitled to the compensation and benefits that Mr. Rahemtulla would have received had Mr. Rahemtulla been terminated without cause (as outlined under "Payment on Termination Without Cause" below). "Good Reason" means (i) the assignment to Mr. Rahemtulla of any duties materially inconsistent with his duties and responsibilities as CEO; (ii) a reduction in Mr. Rahemtulla's total cash compensation; (iii) a fundamental change of control (as defined below) of the ownership of the Company; and (iv) any other reason that Mr. Rahemtulla feels, in his sole discretion, is reasonable, including any fundamental change to Mr. Rahemtulla's employment, which would constitute constructive dismissal at common law.

"Change of Control" means any of the following: (i) the date upon which a person or group holds shares and/or other securities which, directly or after conversion, exercise or exchange thereof, would entitle the holders thereof to cast 20% or more of the votes attached to the outstanding voting shares; or (ii) a majority of the board of directors of the amalgamated or merged entity or successor entity into which the Company was liquidated or which acquired substantially all of the assets of the Company is not comprised of individuals who were directors of the Company immediately before the event in (i) above; or (iii) the date upon which Shareholders have approved (a) an amalgamation or merger of the Company with any other corporation (other than a direct or indirect affiliate), (b) any other business combination or consolidation, (c) a plan for the liquidation of the Company, and (d) agreement for the sale or disposition of all or substantially all of the assets of the Company.

De Jong and Hoxha

Pursuant to each of Mr. De Jong and Mr. Hoxha's employment agreements, in the event that within 12 months immediately following a Change of Control (as defined below), any of the following occur (each, a "**Deemed Termination**"):

- (a) a material change (other than a change that is consistent with a promotion) in the employee's position, duties, responsibilities, title or office in effect immediately prior to any Change of Control;
- (b) a decrease in the employee's base salary or a material decrease in the employee's bonus, benefits, vacation or other compensation; or
- (c) any action or event that would constitute a constructive dismissal of the employee at common law,

then, at Mr. De Jong or Mr. Hoxha's election, respectively, on written notice by Mr. De Jong or Mr. Hoxha to the Company within 30 days of the relevant Deemed Termination event, the employment agreement shall be deemed to have been terminated by the Company without cause.

Pursuant to the De Jong Employment Agreement and the Hoxha Employment Agreement, "**Change of Control**" means any of the following:

- (a) any person or group of persons (excluding the executive or any person associated with the executive or a non-arm's length party of the executive) acting jointly or in concert, becomes the direct or indirect beneficial owner of 40% or more of the outstanding voting securities of the Company;
- (b) the completion of a merger, amalgamation, arrangement, business combination or similar transaction with a person or group of persons that is not associated or affiliated (within the meaning of the OBCA) with the Company that results in the voting securities outstanding immediately prior thereto failing to represent at least 50% of the voting securities or right to acquire voting securities of the successor entity immediately thereafter; or
- (c) any sale, lease or transfer of all or substantially all of the Company's assets.

The following table provides details regarding the estimated incremental payments from the Company to each of the currently employed NEOs on a change of control, assuming a change of control payment was due on September 30, 2015.

Name	Severance Period	Payment of Salary	Pro Rated Bonus/Other	Option based Awards ⁽¹⁾	Share based Awards ⁽²⁾	Total Incremental Payment
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Aly Rahemtulla ⁽³⁾ President & CEO (June 16, 2008 - Present)	19	475,000	157,719	Nil	266,028	898,747
Louis De Jong ⁽⁴⁾ CFO and Corporate Secretary (January 15, 2014 - Present)	12	250,000	69,112 ⁽⁶⁾	Nil	103,337	422,449
Alban Hoxha ⁽⁵⁾ CTO (May 16, 2011 – Present)	12	195,000	55,362 ⁽⁶⁾	Nil	49,500	299,862
TOTALS	43	920,000	282,193	Nil	418,865	1,621,058

Notes:

- (1) The Option-based awards are calculated assuming exercise of the Options and the closing price of the Common Shares on the TSXV on September 30, 2015 of \$0.90 per Common Share, assuming a change of control (as defined in the applicable employment agreement) took place on that date.
- (2) The share-based awards are calculated by multiplying the number of RSUs by the market price of the Common Shares on the TSXV on September 30, 2015, which was \$0.90, assuming a change of control (as defined in the RSU Plan) took place on that date. Pursuant to the RSU Plan, as constituted as at September 30, 2015, in the event of a change of control, all RSUs outstanding shall immediately vest on the date of such change of control notwithstanding any stated vesting period. Subsequent to the year end, the RSU Plan Amendments were adopted by the Board. Please see “*Business of Meeting – Approval of the RSU Plan Resolution*”.
- (3) Pursuant to the Rahemtulla Employment Agreement, upon Good Reason, which includes a change of control (as defined therein), Mr. Rahemtulla is entitled to (i) the equivalent of one year’s base salary plus one additional month for each full year employment completed based on a start date of July 1, 2008, up to a maximum of 24 months; (ii) the previous year’s unpaid bonus award, if any; (iii) payment of an amount on account of bonus, based upon the average monthly bonus award for the previous year or the current year, whichever is higher, for 12 months plus one additional month for each full year of employment completed, based on a start date of July 1, 2008, up to a maximum of 24 months; (iv) current automobile allowance for 12 months plus one additional month for each full year employment completed, based on a start date of July 1, 2008, up to a maximum of 24 months; and (v) any continued group benefit coverage for 12 months plus one additional month for each full year employment completed based on a start date of July 1, 2008, up to a maximum of 24 months. In the event of a change of control occur, all unvested Options shall vest immediately and expire on their scheduled expiry date on the same basis as if Mr. Rahemtulla’s employment continued up to and including the last date upon which such Options are scheduled to expire.
- (4) Pursuant to the De Jong Employment Agreement, in the event of a Deemed Termination within 12 months following a change of control (as defined therein), Mr. De Jong is entitled to: (i) payment of all accrued base salary and accrued but unused vacation pay to the date of Deemed Termination; (ii) reimbursement of approved business expenses incurred to the date of Deemed Termination, in accordance with the Company’s policies then in effect; (iii) any performance bonus, calculated pro-rata through to the end of the minimum notice period prescribed by the *Employment Standards Act, 2000* (the “**ESA**”), as determined pursuant to the terms and conditions of the applicable executive bonus plan; (iv) a continuation of Mr. De Jong’s base salary then in effect for a period of 12 months from the date of Deemed Termination; and (v) a continuation of Mr. De Jong’s benefits for the minimum period required by the ESA and, to the extent permitted by applicable benefits plans, a continuation of medical benefits (excluding any long-term and short-term disability) for a period of 12 months from the date of Deemed Termination. All rights to purchase securities of the Company pursuant to the Company’s equity incentive plans in place from time to time, which are then held by Mr. De Jong and which have not vested shall immediately vest and become exercisable immediately prior to such change of control.
- (5) Pursuant to the Hoxha Employment Agreement, in the event of a Deemed Termination within 12 months following a change of control (as defined therein), Mr. Hoxha is entitled to: (i) payment of all accrued base salary and accrued but unused vacation pay to the date of Deemed Termination; (ii) reimbursement of approved business expenses incurred to the date of Deemed Termination, in accordance with the Company’s policies then in effect; (iii) any performance bonus, calculated pro-rata through to the end of the minimum notice period prescribed by the ESA, as determined pursuant to the terms and conditions of the applicable executive bonus plan; (iv) a continuation of Mr. Hoxha’s base salary then in effect for a period of 12 months from the date of Deemed Termination; and (v) a continuation of Mr. Hoxha’s benefits for the minimum period required by the ESA and, to the extent permitted by applicable benefits plans, a continuation of medical benefits (excluding any long-term and short-term disability) for a period of 12 months from the date of Deemed Termination. All rights to purchase securities of the Company pursuant to the Company’s equity incentive plans in place from time to time, which are then held by Mr. Hoxha and which have not vested shall immediately vest and become exercisable immediately prior to such change of control.
- (6) For illustrative purposes, the bonus amount on change of control is estimated to be 50% of the executive’s base salary, which is half of the bonus maximum, and it is assumed that 6 months was worked up to the change of control date.

3.5.2. Payment on Termination Without Cause

The following table provides details regarding the estimated incremental payments from the Company to each of the currently employed NEOs on termination without cause, assuming a severance payment was due on September 30, 2015.

Name	Severance Period	Termination Payment	Pro Rated Bonus/Other	Option based Awards ⁽¹⁾	Share based Awards ⁽²⁾	Total Incremental Payment
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Aly Rahemtulla ⁽³⁾ President & CEO (June 16, 2008 - Present)	19	475,000	157,719	Nil	266,028	898,747
Louis De Jong ⁽⁴⁾ CFO and Corporate Secretary (January 15, 2014 - Present)	12	250,000	69,112	Nil	103,337	422,449
Alban Hoxha ⁽⁵⁾ CTO (May 16, 2011 – Present)	12	195,000	55,362	Nil	49,500	299,862
TOTALS	43	920,000	282,193	Nil	418,865	1,621,058

Notes:

- (1) The Option-based awards are calculated assuming exercise of the Options and the closing price of the Common Shares on the TSXV on September 30, 2015 of \$0.90 per Common Share, assuming a termination without cause (as defined in the applicable employment agreement) took place on that date.
- (2) The share-based awards are calculated by multiplying the number of RSUs by the closing price of the Common Shares on the TSXV on September 30, 2015, which was \$0.90, assuming termination without cause took place on that date. Pursuant to the RSU Plan, as constituted as at September 30, 2015, if a participant is terminated without cause, all unvested RSUs credited to the participant will vest on the date of termination. Subsequent to the year end, the RSU Plan Amendments were adopted by the Board. Please see “*Business of Meeting – Approval of the RSU Plan Resolution*”.
- (3) If the Rahemtulla Employment Agreement is terminated without cause, Mr. Rahemtulla is entitled to (i) the equivalent of one year’s base salary plus one additional month for each full year employment completed, based on a start date of July 1, 2008, up to a maximum of 24 months; (ii) the previous year’s unpaid bonus award, if any, if unpaid; (iii) payment of an amount on account of bonus based upon the average monthly bonus award for the previous year or the current year, whichever is higher, for 12 months plus one additional month for each full year employment completed, based on a start date of July 1, 2008, up to a maximum of 24 months; (iv) current automobile allowance for 12 months plus one additional month for each full year employment completed, based on a start date of July 1, 2008, up to a maximum of 24 months; and (v) any continued group benefit coverage for 12 months plus one additional month for each full year employment completed based on a start date of July 1, 2008, up to a maximum of 24 months; provided that, if such benefits are not provided for the whole period, Mr. Rahemtulla shall receive the amount per month that the Company paid for the benefits of Mr. Rahemtulla.
- (4) If the De Jong Employment Agreement is terminated without cause, Mr. De Jong is entitled to: (i) payment of all accrued base salary and accrued but unused vacation pay to the date of termination; (ii) reimbursement of approved business expenses incurred to the date of termination, in accordance with the Company’s policies then in effect; (iii) any performance bonus, calculated pro-rata through to the end of the minimum notice period prescribed by the ESA, as determined pursuant to the terms and conditions of the applicable executive bonus plan; (iv) a continuation of Mr. De Jong’s base salary then in effect for a period of 12 months from the date of termination; and (v) a continuation of Mr. De Jong’s benefits for the minimum period required by the ESA and, to the extent permitted by applicable benefits plans, a continuation of medical benefits (excluding any long-term and short-term disability) for a period of 12 months from the date of termination.
- (5) If the Hoxha Employment Agreement is terminated without cause, Mr. Hoxha is entitled to: (i) payment of all accrued base salary and accrued but unused vacation pay to the date of termination; (ii) reimbursement of approved business expenses incurred to the date of termination, in accordance with the Company’s policies then in effect; (iii) any performance bonus, calculated pro-rata through to the end of the minimum notice period prescribed by the ESA, as determined pursuant to the terms and conditions of the applicable executive bonus plan; (iv) a continuation of Mr. Hoxha’s base salary then in effect for a period of 12 months from the date of termination; and (v) a continuation of Mr. Hoxha’s benefits for the minimum period required by the ESA and, to the extent permitted by applicable benefits plans, a continuation of medical benefits(excluding any long-term and short-term disability) for a total period of 12 months from the date of termination.

3.5.3. Payments on Other Termination

Rahemtulla

Pursuant to the Rahemtulla Employment Agreement, in the event of:

- (i) a termination for cause, the Company will pay to Mr. Rahemtulla or any person previously designated by Mr. Rahemtulla to the Company for such purposes, any remaining amounts payable to Mr. Rahemtulla up to the termination date, without advance notice of termination or pay in lieu of such notice, subject to entitlements of third persons under the terms of any will or the operation of the laws of descent and distribution, as applicable; and
- (ii) resignation for Good Reason (as defined below), Mr. Rahemtulla is entitled to the compensation and benefits that Mr. Rahemtulla would have received had Mr. Rahemtulla been terminated without cause. Any vested Options held by Mr. Rahemtulla expire on their scheduled expiry date on the same basis as if Mr. Rahemtulla's employment had continued up to and including the date on which such Options are scheduled to expire. Pursuant to the Rahemtulla Employment Agreement, "Good Reason" means (i) the assignment to Mr. Rahemtulla of any duties materially inconsistent with his duties and responsibilities as CEO; (ii) a reduction in Mr. Rahemtulla's total cash compensation; (iii) a "Change of Control" of the Company (as defined in the Rahemtulla Employment Agreement); and (iii) any other reason that Mr. Rahemtulla feels, in his sole discretion, is reasonable, including any fundamental change to Mr. Rahemtulla's employment, which would constitute constructive dismissal at common law.

De Jong

Pursuant to the De Jong Employment Agreement, in the event of:

- (i) a termination for cause, the Company will pay to Mr. De Jong all accrued base salary to date, accrued but unused vacation pay and reimbursement for approved business expenses. Upon making these payments, the Company will have no further obligations under the De Jong Employment Agreement;
- (ii) Mr. De Jong's death, the Company will pay to Mr. De Jong all accrued base salary to date, accrued but unused vacation pay and reimbursement for approved business expenses. Upon making these payments, the Company will have no further obligations under the De Jong Employment Agreement; and
- (iii) Mr. De Jong becoming permanently incapacitated, the Company will provide to Mr. De Jong all accrued base salary to date, accrued but unused vacation pay, reimbursement for approved business expenses and the minimum severance pay (if any), benefits continuation and pay in lieu of notice required by the ESA, inclusive of a pro-rata performance bonus determined pursuant to the terms and conditions of the executive bonus plan. Upon providing Mr. De Jong with these payments and benefits, the Company will have no further obligations under the De Jong Employment Agreement.

Hoxha

Pursuant to the Hoxha Employment Agreement, in the event of:

- (i) a termination for cause, the Company will pay to Mr. Hoxha all accrued base salary to date, accrued but unused vacation pay and reimbursement for approved business expenses. Upon making these payments, the Company will have no further obligations under the Hoxha Employment Agreement;
- (ii) Mr. Hoxha's death, the Company will pay to Mr. Hoxha all accrued base salary to date, accrued but unused vacation pay and reimbursement for approved business expenses. Upon making these payments, the Company will have no further obligations under the Hoxha Employment Agreement; and

(iii) Mr. Hoxha becoming permanently incapacitated, the Company will provide to Mr. Hoxha all accrued base salary to date, accrued but unused vacation pay, reimbursement for approved business expenses and the minimum severance pay (if any), benefits continuation and pay in lieu of notice required by the ESA, inclusive of a pro-rata performance bonus determined pursuant to the terms and conditions of the executive bonus plan. Upon providing Mr. Hoxha with these payments and benefits, the Company will have no further obligations under the Hoxha Employment Agreement.

For additional information on the vesting and expiration of Options pursuant to the Option Plan, please see “*Second Amended and Restated Stock Option Plan*”. For additional information on the vesting and expiration of RSUs pursuant to the RSU Plan, please see “*Restricted Share Unit Plan*” and for additional information on the vesting and expiration of DSUs pursuant to the DSU Plan please see “*Deferred Share Unit Plan*”.

4. DIRECTOR COMPENSATION

4.1. Compensation of Directors

The following table lists the director fees paid to directors of the Company for the fiscal year ended September 30, 2015:

Director Fees	\$
Annual Retainer – Chairman of the Board	\$45,000
Annual Retainer – Chair of a committee	\$25,000
Annual Retainer – Director	\$20,000
Meeting fees in person for a director (per meeting attended)	\$1,000
Meeting fees by telecommunications for a director (per meeting attended)	\$750

The Chair of any meeting may lower the standard fees outlined above to \$0 - \$500 per meeting, in the Chair’s sole and absolute discretion, based upon the Chair’s assessment of (i) the time required to review and prepare for the meeting; and (ii) the duration of the meeting. In addition, if multiple meetings are attended by a director on the same day, these meetings are considered one meeting for purposes of calculating a director’s compensation in accordance with the fees outlined above. Directors who are also officers or employees of the Company are not compensated for their services as a director of the Company.

Effective for meetings held after October 1, 2015, on November 6, 2015, the Board approved a revised director compensation policy for the upcoming fiscal year that eliminates per meeting compensation and moved to a fixed annual cash compensation schedule and the grant of DSUs.

4.2. Director Compensation Table

For the year ended September 30, 2015, the Company had five directors, one of which was also an NEO. For a description of the compensation paid to the NEO of the Company who also acts as a director of the Company, Mr. Rahemtulla, please see “*Compensation and Analysis*”. The following table is a summary of compensation paid to the directors of the Company, other than directors who are also NEOs, for the fiscal year ended September 30, 2015:

Name ⁽¹⁾	Fees earned ⁽²⁾	Share based awards ⁽³⁾	Option based awards ⁽⁴⁾	Non-equity incentive plan compensation	Pension value	All other compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Frank Maw (Director since June 10, 2008)	58,500	25,900	Nil	Nil	Nil	Nil	84,400
Pierre Bélanger⁽⁵⁾ (Director since September 25, 2009)	32,750	14,800	Nil	Nil	Nil	Nil	47,550
Greg Rokos⁽⁶⁾ (September 25, 2009 - September 30, 2015)	34,250	14,800	Nil	Nil	Nil	Nil	49,050
David Yach⁽⁷⁾ (November 21, 2012 – September 30, 2015)	39,750	14,800	Nil	Nil	Nil	Nil	54,550
Kelly McDougald⁽⁸⁾ (November 21, 2012 – September 30, 2015)	24,750	Nil	Nil	Nil	Nil	Nil	24,750
Total Board Compensation	190,000	70,300	Nil	Nil	Nil	Nil	260,300

Notes:

- (1) Mr. Rahemtulla was both a director and NEO during the fiscal year ended September 30, 2015. He did not receive any compensation in for his role as a director of the Company. His compensation is reflected in the summary compensation table for the NEOs. Please see "Summary Compensation Table – Named Executive Officers".
- (2) Directors may elect to receive all or a portion of their Board remuneration in the form of DSUs.
- (3) The amounts reflected relate to DSUs granted during the fiscal year ended September 30, 2015. The fair value of DSUs is calculated based on the market value of the Common Shares at the time of issuance of DSUs.
- (4) The Company did not grant any Options to any directors during the fiscal year ended September 30, 2015.
- (5) The amount reflected represents the full fees earned with respect to the fiscal year ended September 30, 2015. This includes \$12,500 in DSUs to be awarded based on Mr. Bélanger's election to receive 50% of his fees earned for the fiscal year in DSUs. Consequently, 14,535 DSUs were granted to Mr. Bélanger on December 18, 2015.
- (6) Mr. Rokos ceased to be a director of the Company on September 30, 2015, in connection with the Arrangement.
- (7) Mr. Yach ceased to be a director of the Company on September 30, 2015, in connection with the Arrangement.
- (8) Ms. McDougald became a member of Board on May 13, 2015. Ms. McDougald ceased to be a director of the Company on September 30, 2015, in connection with the Arrangement.

4.3. Incentive Plan Awards - Directors

4.3.1. Outstanding Share Based Awards and Option Based Awards

The following table is a summary of Option and share-based awards granted to the directors of the Company, other than directors who are also NEOs, that were outstanding as at the fiscal year ended September 30, 2015:

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 ⁽¹⁾	Number of shares or units of shares that have not vested ⁽²⁾	Market or payout value of share-based awards that have not vested ⁽³⁾⁽⁴⁾	Market or payout value of vested share based awards not paid out or distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Frank Maw	75,000	1.45	15/01/2018	Nil	17,500	Nil	15,750
Pierre Bélanger	3,252	1.98	20/03/2017	Nil	10,000	Nil	9,000
	11,625	0.94	27/11/2017	Nil			
	40,000	1.45	15/1/2018	Nil			
Greg Rokos ⁽⁵⁾	9,333	1.77	21/06/2017	Nil	10,000	Nil	9,000
	11,625	0.94	27/11/2017	Nil			
	40,000	1.45	15/01/2018	Nil			
David Yach ⁽⁶⁾	40,000	1.45	15/01/2018	Nil	10,000	Nil	9,000
Kelly McDougald ⁽⁷⁾	Nil	N/A	N/A	Nil	Nil	Nil	Nil

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Common Shares on the TSXV on September 30, 2015, which was \$0.90, and the Option exercise price by the number of outstanding Options. Where the difference is negative, the Options are not “in-the-money” and no value is ascribed. These granted Options may or may not ever be exercised. Whether granted Options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted Options become “in-the-money”.
- (2) Represents grants under the DSU Plan.
- (3) DSUs are not exercisable until there is a loss of directorship.
- (4) Calculated by multiplying the number of DSUs outstanding as at September 30, 2015, by the closing price of the Common Shares on the TSXV at that date, which was \$0.90.
- (5) Mr. Rokos ceased to be a director of the Company on September 30, 2015.
- (6) Mr. Yach ceased to be a director of the Company on September 30, 2015.
- (7) Ms. McDougald became a member of Board on May 13, 2015. Ms. McDougald ceased to be a director of the Company on September 30, 2015, in connection with the Arrangement.

4.3.2. Incentive Plan Awards – Value Vested or Earned During the Fiscal Year Ended September 30, 2015

The following table sets forth for each of the Company's directors other than directors who are also NEOs, the value of Option and share-based awards which vested during the year ended September 30, 2015, and the value of non-equity incentive plan compensation earned during the year ended September 30, 2015:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year ⁽²⁾⁽³⁾	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
Frank Maw	Nil	25,900	Nil
Pierre Bélanger	Nil	14,800	Nil
David Yach	Nil	14,800	Nil
Greg Rokos	Nil	14,800	Nil
Kelly McDougald	Nil	Nil	Nil

Notes:

- (1) Calculated by multiplying the difference between the market price of the Common Shares on the vesting date and the exercise price of the Options by the number of Options. These granted Options may or may not ever be exercised. Whether granted Options are exercised

or not will be based primarily, but not singularly, on the Company's future stock price and whether the granted Options become "in-the-money".

- (2) DSUs are not exercisable until a loss of directorship.
- (3) Calculated by multiplying the number of DSUs by the market price of the Common Shares on the TSX on the vesting date.

5. SECOND AMENDED AND RESTATED STOCK OPTION PLAN

The Board approved the adoption of the Option Plan on August 17, 2015 and Shareholders subsequently approved it on September 23, 2015. The purpose of the Option Plan is to provide incentives to attract, retain and motivate the Company's directors, officers, employees, and other eligible persons whose contributions are important to the future success of the Company. Under the Option Plan, options may be granted to: (i) full-time employees or independent contractors of the Company or any of its subsidiaries working not less than 20 hours per week; (ii) consultants of the Company or any of its subsidiaries; or (iii) a director of the Company or any of its subsidiaries who is not a full-time or a part-time employee or independent contractor of the Company working not less than 20 hours per week ("**Outside Director**").

The total number of Common Shares which may be reserved and available for issuance under the Option Plan (together with any other security based compensation arrangement) may not exceed 10% of the issued and outstanding Common Shares from time to time; provided, however, that the number of Common Shares reserved and available for issuance pursuant to the Option Plan (together with any other security based compensation arrangement) shall not exceed 10,000,000 Common Shares. The exercise price of options granted pursuant to the Option Plan is determined by the Board or the CGN committee at the time of grant and may not be less than the closing price of the Common Shares on the applicable Exchange for the last market trading day prior to the date of the grant of the option (less any discount permitted by the TSX, if the BSM Shares are listed on the TSX when the option is granted). Where options are granted to a 10% Holder (as defined in the Option Plan), the exercise price of the options may not be less than 110% of the closing price of the Common Shares on the applicable Exchange for the last market trading day prior to the date of the grant of the option (less any discount permitted by the TSX, if the Common Shares are listed on the TSX when the option is granted).

As at February 11, 2016, 1,243,835 Options remain outstanding and unexercised, representing approximately 1.40% of the Company's currently outstanding Common Shares, and 7,647,940 Options are unallocated and available for future grants, representing approximately 8.60% of the Company's currently outstanding Common Shares.

In lieu of payment of the exercise price of an Option, a participant under the Option Plan may elect to effect a cashless exercise of an option by surrender of the Option, in which event BSM will issue to the participant a number of Common Shares computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

where:

- X = the number of Common Shares to be issued to the participant;
- Y = the number of vested unissued option shares (at the date of exercise);
- A = the Market Price (as defined in the Option Plan) of one Common Share (at the date of exercise);
- and
- B = the Exercise Price (as defined in the Option Plan).

The number of Common Shares which may be issued under the Option Plan (together with any other security based compensation arrangement) to any one person may not exceed 5% of the Common Shares issued and outstanding on a non-diluted basis from time to time. The number of Common Shares which may be issued: (i) to all insiders of the Company may not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis from time to time; (ii) to all insiders of the Company within a one-year period may not exceed 10% of the

issued and outstanding Common Shares on a non-diluted basis from time to time; and (iii) to any one insider within a one-year period may not exceed 5% of the issued and outstanding Common Shares on a non-diluted basis from time to time (in each case, together with any other security based compensation arrangement). The number of Common Shares which may be issued under the Option Plan to all Outside Directors may not exceed 1% of Common Shares outstanding on a non-diluted basis from time to time and the equity award value of any grant of options to Outside Directors shall not exceed \$100,000 per year per Outside Director. The Option Plan provides that, subject to certain exceptions, Options granted to U.S. participants will generally be considered incentive stock options within the meaning of applicable U.S. legislation and will be entitled to preferential tax treatment. However, where certain conditions apply, options granted to U.S. participants will be treated as non-qualified stock options.

Pursuant to the terms of the Option Plan, options may be granted for a term not exceeding five years. Options are non-assignable and non-transferable, subject to limited exceptions as set out in the Option Plan. The Board has complete discretion to establish or modify vesting provisions for each option granted.

In the circumstance where the end of the term of an option falls within, or within 10 business days after the end of, a “black out” or similar period imposed under any insider trading policy or similar policy of the Company (but not, for greater certainty, a restrictive period resulting from the Company or its insiders being the subject of a cease trade order of a securities regulatory authority), then the end of the term of such option shall be the tenth business day after the earlier of the end of such black out period or, provided the blackout period has ended, the expiry date.

Under the terms of the Option Plan, upon termination of the participant, options are only exercisable to the extent that such options would have vested. Where a participant is terminated for any reason other than death or disability, options may be exercised no later than 30 days after the termination date, and in the case of termination by reason of death or disability, no later than 12 months following the date of death or disability, by the legal representative(s) of the estate of the participant. The Company does not have a formal policy for providing financial assistance to participants to facilitate the purchase of securities under the Option Plan.

The Board may terminate or amend the Option Plan at any time without shareholder approval to: (a) make formal minor or technical modifications; (b) to correct any defect, supply any omission, or reconcile any inconsistency; (c) to change the vesting provisions of an option; (d) to change the termination provisions of an option; (e) to add or modify a cashless exercise feature providing for the payment in cash or securities on the exercise of options; and (f) to add or change provisions relating to any form of financial assistance provided by the Company; provided however, that no amendment may be made without the consent of an adversely affected participant and shareholder approval must be obtained in accordance with the requirements of the TSX to: (i) increase the number of Common Shares issuable under options granted pursuant to the Option Plan; (ii) change the category of persons who qualify as eligible persons under the Option Plan; (iii) reduce the exercise price of an option; (iv) cancel and re-issue an option; (v) extend the term of an option; (vi) make options transferable or assignable other than by will or operation of law; (vii) increase the level of insider participation under the Option Plan; (viii) increase the level of Outside Director participation under the Option Plan; or (ix) a change to termination and amendment provisions of the Option Plan.

A copy of the Option Plan was attached as Appendix “L” to the Joint Circular and can be found at under the Company’s profile on SEDAR at www.sedar.com. The Company will provide a copy of the Option Plan free of charge to Shareholders upon request.

6. RESTRICTED SHARE UNIT PLAN

The following is a summary of the RSU Plan for the year ended September 30, 2015. Subsequent to the year end, the Board adopted the RSU Plan Amendments, subject to receipt of regulatory and Shareholder approval. At the Meeting, the Shareholders will be asked to consider and, if thought advisable, to approve the RSU Plan Resolution

approving the RSU Plan Amendments. Please see “*Business of Meeting – Approval of the RSU Resolution*” for a description of the proposed amendments to the RSU Plan.

As at February 11, 2016, 917,406 RSUs remain outstanding and unexercised, representing approximately 1.03% of the Company’s currently outstanding Common Shares, and 280,275 RSUs, are unallocated and available for future grants, representing approximately 0.32% of the Company’s currently outstanding Common Shares, subject to the RSU Plan Amendments.

The RSU Plan provides for the payment of bonuses in the form of the issuance of Common Shares to Participants (as such term is defined in the RSU Plan) for the purpose of advancing the interests of the Company and its Affiliates (as such term is defined in the RSU Plan) through the motivation, attraction and retention of eligible employees and eligible consultants and to secure for the Company and the Shareholders of the Company the benefits inherent in the ownership of Common Shares by eligible employees and eligible consultants, it being generally recognized that restricted share plans aid in attracting, retaining and encouraging employees due to the opportunity offered to them to acquire a proprietary interest in the Company. A summary of the material terms and conditions of the RSU Plan is provided below.

The RSU Plan is administered by the CGN Committee which has full authority to administer the RSU Plan including the authority to interpret and construe any provision of the RSU Plan and to adopt, amend and rescind such rules and regulations for administering the RSU Plan as the CGN Committee may deem necessary in order to comply with the requirements of the RSU Plan.

The aggregate maximum number of Common Shares available for issuance from treasury under the RSU Plan, subject to the adjustment provision of the RSU Plan, shall not exceed 1,400,000 Common Shares (representing 1.57% of the Common Shares outstanding as at the date hereof), or such greater number as may be approved from time to time by the Company’s disinterested Shareholders. For greater certainty, Common Shares underlying RSUs which have expired, been cancelled or otherwise not redeemed may not be made the subject of a further grant of RSUs. Under no circumstances may the number of RSUs granted in aggregate, together with any other Security Based Compensation Arrangements (as such term is defined in the RSU Plan) of the Company exceed 10% of the total number of Common Shares then outstanding.

The maximum number of Common Shares issuable to any one individual, at any time, pursuant to the RSU Plan and any other Security Based Compensation Arrangements of the Company, is 1% of the total number of Common Shares then outstanding and in the aggregate, 2% of the total number of Common Shares in any 12-month period.

The maximum number of Common Shares issuable to Insiders (as such term is defined in the RSU Plan), at any time, pursuant to the RSU Plan and any other Security Based Compensation Arrangements of the Company, is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issued to Insiders, within any one year period, pursuant to the RSU Plan and any other Security Based Compensation Arrangements of the Company is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issuable to eligible consultants, within any one year period, pursuant to the RSU Plan and any other Security Based Compensation Arrangements of the Company, is 2% of the total number of Common Shares then outstanding. For the purposes of these calculations, the number of Common Shares then outstanding shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable RSU.

Except as otherwise provided in a RSU grant letter or any other provision of the RSU Plan, all RSUs granted pursuant to the RSU Plan shall vest on the third anniversary of the grant date.

A RSU award granted to a Participant will entitle the Participant, subject to the Participant’s satisfaction of any conditions, restrictions, vesting period or limitations imposed under the RSU Plan or set out in the RSU grant letter, to receive one previously unissued Common Share for each RSU on the date when the RSU award is fully vested.

Subject to the foregoing, in the event of:

- (a) the death of a Participant, all unvested RSUs credited to the Participant will vest on the date of the Participant's death. The Common Shares underlying the RSUs credited to the Participant's account shall be issued to the Participant's estate as soon as practicable thereafter;
- (b) the total disability of a Participant, all unvested RSUs credited to the Participant will vest within 60 days following the date on which the Participant is determined to be totally disabled, and the Common Shares underlying such RSUs credited to the Participant's account shall be issued to the Participant as soon as practicable thereafter;
- (c) the termination without cause of a Participant, all unvested RSUs credited to the Participant will vest on the Date of Termination (as such term is defined in the RSU Plan). The Common Shares underlying the RSUs credited to the Participant's account shall be issued to the Participant as soon as practicable thereafter;
- (d) the termination of the employment or services of the Participant, prior to the Participant's Entitlement Date (as such term is defined in the RSU Plan), for any reason other than death, disability, retirement or termination without cause (as such term is defined in the RSU Plan), then, except as provided for in the RSU grant letter or as determined by the Committee, all RSUs will be forfeited by the Participant, and be of no further force and effect, as of the date of termination;
- (e) the retirement of a Participant, a *pro rata* number of the unvested RSUs credited to the Participant, based on the portion of the applicable vesting period that has been completed as of the retirement date, will vest on the retirement date and the Common Shares underlying the RSUs credited to the Participant's account shall be issued to the Participant as soon as practicable thereafter; and
- (f) a Change of Control (as such term is defined in the RSU Plan), all RSUs outstanding shall immediately vest on the date of such Change of Control notwithstanding any stated vesting period. In any event, upon a Change of Control, Participants shall not be treated any more favourably than Shareholders with respect to the consideration that the Participants would be entitled to receive for the Common Shares underlying the RSUs.

Except as otherwise may be expressly provided for under the RSU Plan or pursuant to a will or by the laws of descent and distribution, RSUs may not be assigned or transferred.

In the event that a dividend (other than a stock dividend) is declared and paid by the Company on Common Shares, the CGN Committee may elect to credit each participant with additional RSUs. In such case, the number of additional RSUs will be equal to the aggregate amount of dividends that would have been paid to the participant if the RSUs in the participant's account had been Common Shares divided by the Market Value (as such term is defined in the RSU Plan) of a Common Share on the date on which dividends were paid by the Company.

The Board or the CGN Committee may, subject to receipt of requisite regulatory and Shareholder approval, make the following amendments to the RSU Plan:

- (a) increase the number of RSUs which may be issued pursuant to the RSU Plan;
- (b) change the definition of "Participant" under the Plan which would have the potential of narrowing, broadening or increasing insider participation;
- (c) reduce the range of amendments requiring Shareholder approval;

- (d) make amendments that may lead to significant or unreasonable dilution to the Company's outstanding securities, or that may provide additional benefits to Participants at the expense of the Company or its Shareholders;
- (e) change insider participation limits which would result in Shareholder approval being required on a disinterested basis; or
- (f) make amendments that would permit RSUs, or any other right or interest of a Participant under the RSU Plan, to be assigned or transferred, other than for normal estate settlement purposes.

The Board or the CGN Committee may, subject to receipt of requisite regulatory approval (where required), but not subject to Shareholder approval, in its sole discretion make all other amendments to the RSU Plan that are not of the type contemplated above, including, without limitation:

- (a) amendments of a housekeeping nature;
- (b) the addition or a change to the vesting provisions of a RSU or the RSU Plan;
- (c) a change to the termination provisions of a RSU or the RSU Plan;
- (d) amendments to reflect changes to applicable securities laws; and
- (e) amendments to ensure that the RSUs granted under the RSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a Participant to whom a RSU has been granted may from time to time be a resident, citizen or otherwise subject to tax therein.

A copy of the RSU Plan was attached as Schedule "C" to the Company's management information circular dated April 21, 2014 and can be found at on the Company's profile on SEDAR at www.sedar.com. The Company will provide a copy of the RSU Plan, as amended, free of charge to Shareholders upon request.

7. DEFERRED SHARE UNIT PLAN

The following is a summary of the DSU Plan for the year ended September 30, 2015. Subsequent to the year end, the Board adopted the DSU Plan Amendments, subject to receipt of regulatory and Shareholder approval. At the Meeting, the Shareholders will be asked to consider and, if thought advisable, to approve the DSU Plan Resolutions approving the DSU Plan Amendments. Please see "*Business of Meeting – Approval of the DSU Plan Resolution*" above for a description of the proposed amendments to the DSU Plan.

As at February 11, 2016, 232,035 DSUs remain outstanding and unexercised, representing approximately 0.26% of the Company's currently outstanding Common Shares, and 147,965 DSUs are unallocated and available for future grants, representing approximately 0.17% of the Company's currently outstanding Common Shares, subject to the DSU Plan Amendments.

The purpose of the DSU Plan is to strengthen the alignment of interests between the eligible directors and the Shareholders by linking a portion of annual director compensation, as determined by the CGN Committee from time to time, to the future value of the Common Shares. In addition, the DSU Plan has been adopted for the purpose of advancing the interests of the Company through the motivation, attraction and retention of directors of the Company and its affiliates, it being generally recognized that the DSU Plan aids in attracting, retaining and encouraging director commitment and performance due to the opportunity offered to them to receive compensation in line with the value of the Common Shares. A summary of the material terms and conditions of the DSU Plan is provided below.

The DSU Plan shall be administered by the CGN Committee and the CGN Committee shall have full discretionary authority to administer the DSU Plan including the authority to interpret and construe any provision of the DSU Plan and to adopt, amend and rescind such rules and regulations for administering the DSU Plan as the CGN Committee may deem necessary in order to comply with the requirements of the DSU Plan.

The aggregate maximum number of Common Shares available for issuance from treasury under the DSU Plan, subject to the adjustment provision of the DSU Plan, shall not exceed 400,000 Common Shares (representing 0.45% of the Common Shares outstanding as at the date hereof), or such greater number as may be approved from time to time by the Company's disinterested Shareholders. For greater certainty, Common Shares underlying DSUs which have expired, been cancelled or otherwise not redeemed may not be made the subject of a further grant of DSUs. Under no circumstances may the number of DSUs granted in aggregate, together with any other Security Based Compensation Arrangements (as such term is defined in the DSU Plan) of the Company exceed 10% of the total number of Common Shares then outstanding.

The maximum number of Common Shares issuable to any one individual, at any time, pursuant to the DSU Plan and any other Security Based Compensation Arrangements of the Company, is 1% of the total number of Common Shares then outstanding and in the aggregate, 2% of the total number of Common Shares in any 12-month period.

The maximum number of Common Shares issuable to Insiders (as such term is defined in the DSU Plan), at any time, pursuant to the DSU Plan and any other Security Based Compensation Arrangements of the Company, is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issued to Insiders, within any one year period, pursuant to the DSU Plan and any other Security Based Compensation Arrangements of the Company is 10% of the total number of Common Shares then outstanding. For the purposes of these calculations, the number of Common Shares then outstanding shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable DSU.

Subject to the terms of the DSU Plan and the compensation policies of the Board, beginning with the calendar year 2015, each eligible director may file an Election Notice (as such term is defined in the DSU Plan) in respect of his or her Director's Remuneration (as such term is defined in the DSU Plan) payable for the following year. Notwithstanding the foregoing, if an eligible director meets the Minimum Director Share Ownership Requirement (as such term is defined in the DSU Plan) then in effect (or if there is no Minimum Director Share Ownership Requirement), an eligible director may elect to receive his or her entitlement entirely in cash, or to receive any portion of his or her entitlement in cash or DSUs, at his or her discretion. If an eligible director has not met the Minimum Director Share Ownership Requirement, such eligible director must elect to receive at least 50-100% of the entitlement in DSUs and, if an eligible director fails to make such election, he or she will be deemed to have elected to receive between 50-100% of his or her entitlement in DSUs as determined by the CGN Committee in its discretion. An election notice can be made only once annually and will apply for the full duration of the eligible director's current term in respect of which the entitlement is payable or until a replacement election notice is made for a subsequent year. The DSU grant date (as such term is defined in the DSU Plan) in respect of an eligible director, at the discretion of the CGN Committee, shall be either: (i) the date on which the elected portion of the eligible director's entitlement would otherwise be paid in cash, or (ii) the first business day following the public release of the Company's audited annual financial statements for the immediately preceding fiscal year.

Notwithstanding any of the foregoing, the CGN Committee shall have the authority, subject to applicable securities laws, to make any special grant of DSUs to eligible directors, in such numbers, and at any time as the CGN Committee will deem appropriate.

The DSU Plan will at all times remain unfunded and the obligations of the Company under the DSU Plan shall be general unsecured obligations of the Company.

As soon as practicable following the Separation Date (as such term is defined in the DSU Plan) for each Participant (as such term is defined in the DSU Plan), the Company shall issue to such Participant one previously unissued

Common Share for each outstanding whole DSU held by such Participant on such relevant Separation Date, less applicable statutory source deductions. Fractional DSUs shall be cancelled. In all events, such issuance of Common Share will occur no later than December 31st of the year following the year of the Participant's Separation Date.

Except as otherwise may be expressly provided for under the DSU Plan or pursuant to a will or by the laws of descent and distribution, DSUs may not be assigned or transferred.

In the event that a dividend (other than a stock dividend) is declared and paid by the Company on Common Shares, the CGN Committee may elect to credit each participant with additional DSUs. In such case, the number of additional DSUs will be equal to the aggregate amount of dividends that would have been paid to the participant if the DSUs in the participant's account had been Common Shares divided by the Market Value (as such term is defined in the DSU Plan) of a Common Share on the date on which dividends were paid by the Company.

The committee may from time to time in the absolute discretion of the CGN Committee amend (without Shareholder approval), modify and change the provisions of the DSU Plan, provided that any amendment, modification or change to the provisions of the DSU Plan which would:

- (a) materially increase the benefits of the holder under the DSU Plan to the detriment of the Company and its Shareholders;
- (b) increase the number of Common Shares, other than by virtue of the adjustment section of the DSU Plan, which may be issued pursuant to the DSU Plan;
- (c) reduce the range of amendments requiring Shareholder approval;
- (d) permit DSUs to be transferred other than for normal estate settlement purposes;
- (e) materially modify the requirements as to eligibility for participation in the DSU Plan;

shall only be effective upon such amendment, modification or change being approved by the Shareholders, if required by the TSX or any other stock exchange on which the Common Shares are listed, or any other regulatory authorities having jurisdiction over the Company. In addition, any such amendment, modification or change of any provision of the DSU Plan shall be subject to the approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

The Board or the CGN Committee may, subject to receipt of requisite regulatory approval (where required), but not subject to Shareholder approval, in its sole discretion make all other amendments to the DSU Plan that are not of the type contemplated above, including, without limitation:

- (a) amendments of a housekeeping nature;
- (b) a change to the termination provisions of a DSU or the DSU Plan;
- (c) amendments to reflect changes to applicable securities laws; and
- (d) amendments to ensure that the DSUs granted under the DSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a Participant may from time to time be a resident, or otherwise subject to tax therein.

A copy of the DSU Plan was attached as Schedule "D" to the Company's management information circular dated April 21, 2014 and can be found on the Company's profile on SEDAR at www.sedar.com. The Company will provide a copy of the DSU Plan, as amended, free of charge to Shareholders upon request.

8. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table is a summary of compensation plans under which equity securities of the Company are authorized for issuance as at the fiscal year ended September 30, 2015:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾ (a)	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ⁽²⁾
	(#)	(\$)	(#)
Equity compensation plans approved by security holders	3,957,071	1.24	5,028,489
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	3,957,071	1.24	5,028,489

Notes:

- (1) Represents the number of Common Shares available for issuance upon (i) exercise of outstanding Options which have been granted under the Option Plan as at September 30, 2015, (ii) exercise of outstanding BSM Replacement Options which have been granted in connection with the Arrangement as at September 30, 2015 (iii) exercise of outstanding RSUs which have been granted under the RSU Plan as at September 30, 2015; (iv) exercise of outstanding DSUs which have been granted under the DSU Plan as at September 30, 2015. As at September 30, 2015, the Company had the following securities outstanding under its equity incentive plans: (i) 1,575,623 Options, (ii) 1,636,042 BSM Replacement Options, (iii) 697,906 RSUs, and (iv) 47,500 DSUs.
- (2) Represents the maximum number of additional Common Shares issuable under (i) the Option Plan; (ii) BSM Replacement Options; (iii) the RSU Plan, and (iv) the DSU Plan. The aggregate number of Common Shares that may be reserved under the Option Plan, the BSM Replacement Options, the RSU Plan and the DSU Plan, collectively, shall not exceed 10% of the Company's issued and outstanding Common Shares.

9. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Except for Mr. Rahemtulla, no individual who is, or at any time during the most recent completed fiscal year of the Company was, a director or officer of the Company, a proposed nominee for election as a director of the Company, or any associate of any one of the foregoing persons is, or at any time since the beginning of the most recent completed fiscal year of the Company has been, indebted to the Company or any of its subsidiaries (other than in respect of amounts which constitute routine indebtedness) or was indebted to another entity, where such indebtedness is, or was at any time during the most recent completed fiscal year of the Company, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries. For the purposes of this paragraph, "support agreement" includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower. Mr. Rahemtulla fully repaid his indebtedness to the Company on September 21, 2015.

10. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, none of the "informed persons" of the Company (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*), nor any Nominee, nor any person who beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to the issued Common Shares, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed fiscal year or in any proposed transaction which has materially affected the Company or would materially affect the Company, or any of its subsidiaries.

11. MANAGEMENT CONTRACTS

No management functions of the Company and its subsidiaries are not performed to any substantial degree by persons other than the directors and executive officers of the Company or its subsidiaries.

12. CORPORATE GOVERNANCE

Effective June 30, 2006, the securities regulatory authorities in Canada adopted National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”). NP 58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the experience and education of board members and other items dealing with sound corporate governance.

Pursuant to NI 58-101, the Company is required to provide disclosure in this Circular of its corporate governance practices in accordance with Form 58-101F2, which disclosure is set out below.

12.1. Board of Directors

The Board is of the view that maintaining effective corporate governance practices is an important factor which contributes to the general success of the Company. The Company is working towards establishing specific policies regarding corporate governance. The Board is responsible for the supervision of the Company’s business and affairs.

12.1.1. Composition of the Board of Directors

As of the date this Circular, the Board is composed of six directors, Messrs. Gutman, Maw, Rahemtulla, Bélanger, Gildner and Metcalfe, a majority of which are independent (within the meaning of NI 58-101). The independent members of the Board (within the meaning of NI 58-101) are Messrs. Maw, Bélanger, Gildner and Metcalfe. The only members of the Board who are not independent (within the meaning of NI 58-101) are Mr. Rahemtulla, who is not independent by virtue of his position as President and CEO of the Company and Mr. Gutman who is not independent by virtue of his having formerly been the CEO of Webtech (up to September 30, 2015), a subsidiary of the Company which was acquired pursuant to the Arrangement.

The Board is of the opinion that its proposed size is adequate, given the purpose of the Company, and will further the efficiency of its deliberations, while ensuring a diversity of opinion and experience. The Company believes that each and every current and proposed director is eager to fulfil his obligations and assume his responsibilities in the best interests of the Company and of all Shareholders and not in the best interests of himself or a particular group of Shareholders.

The independent directors did not hold any regularly scheduled meetings during the fiscal year ended September 30, 2015, at which non-independent directors and members of management were not in attendance. To facilitate open and candid discussion among the independent directors, at Board meetings, as applicable, non-independent directors have been asked to leave the meeting. In addition, any item which could involve a potential conflict of interest among one or more directors is voted on by those directors that are not related to the conflict in question. It is anticipated that independent directors’ meetings will be held as deemed appropriate during the current fiscal year.

12.1.2. Meetings of the Board

The Board held 12 meetings during the fiscal year ended September 30, 2015. Where a director held his position for part of the period covered, attendance is based on meetings held during his tenure. The members of the Board and their attendance are set forth below:

Board of Directors		
Name of Director	Independent ⁽¹⁾	Meeting Attendance
Frank Maw	Yes	10 of 12
Pierre Bélanger	Yes	12 of 12
Aly Rahemtulla	No	13 of 13
Greg Rokos ⁽²⁾	Yes	12 of 13
David Yach ⁽³⁾	Yes	12 of 13
Kelly McDougald ⁽⁴⁾	Yes	8 of 8
Andrew Gutman ⁽⁵⁾⁽⁶⁾	No	0 of 0
John Gildner ⁽⁷⁾	Yes	0 of 0
Leonard Metcalfe ⁽⁸⁾	Yes	0 of 0

Notes:

- (1) To be considered independent, a member of the Board must not have any direct or indirect or “material relationship” with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. Mr. Rahemtulla is not independent by virtue of his position as President and CEO of the Company and Mr. Gutman is not independent by virtue of his having formerly been the CEO of Webtech (up to September 30, 2015), a subsidiary of the Company which was acquired pursuant to the Arrangement.
- (2) Mr. Rokos resigned from the Board on September 30, 2015, in connection with the Arrangement.
- (3) Mr. Yach resigned from the Board on September 30, 2015, in connection with the Arrangement.
- (4) Ms. McDougald became a member of Board on May 13, 2015. Ms. McDougald resigned from the Board on September 30, 2015, in connection with the Arrangement.
- (5) Non-executive Chairman of the Board.
- (6) Mr. Gutman was appointed to the Board on September 30, 2015, in connection with the Arrangement.
- (7) Mr. Gildner became a member of the Board on September 30, 2015, in connection with the Arrangement.
- (8) Mr. Metcalfe became a member of the Board on September 30, 2015, in connection with the Arrangement.

12.1.3. Majority Voting for Election of Directors

The Board adopted a policy regarding majority voting for the election of directors on January 19, 2012, which was amended by the Board on February 11, 2016. If, in an uncontested election of directors, the number of Common Shares “withheld” for any nominee exceeds the number of Common Shares voted “for” the nominee, then, notwithstanding that such director was duly elected as a matter of corporate law, he or she shall immediately tender his or her written resignation to the Board. The CGN Committee will consider such offer of resignation and will make a recommendation to the Board concerning the acceptance or rejection of the resignation. The Board will accept the resignation absent exceptional circumstances, and such resignation will be effective when accepted by the Board. In its deliberations, the CGN Committee may consider such extenuating circumstances as it deems appropriate. The Board must take formal action on the CGN Committee’s recommendation within 90 days of the date of the applicable meeting of Shareholders and promptly announce its decision by press release, a copy of which shall be provided to the TSX. If the Board declines to accept the resignation, such press release will fully state the reason or reasons for its decision.

Subject to any corporate law restrictions, the Board may (i) leave a vacancy in the Board until the next annual general meeting; (ii) fill the vacancy by appointing a new director whom the Board considers to merit the confidence of Shareholders; or (iii) call a special meeting of Shareholders to consider new board nominee(s) to fill the vacant position(s).

12.1.4. Minimum Share Ownership Guidelines for Directors

On April 7, 2014, the Board adopted a policy regarding the minimum share ownership for directors (the “**Director Share Ownership Guidelines**”). Pursuant to the Director Share Ownership Guidelines, all directors are required to acquire (and thereafter maintain ownership of) a minimum number of Common Shares and/or DSUs of the Company, with a fair market value, as described in the Director Share Ownership Guidelines, equal to three times the annual compensation paid to the director on or before December 31, 2017. Directors elected after April 7, 2014 will have three years from the date of their appointment to acquire (and thereafter maintain ownership of) the minimum shareholding requirement.

12.1.5. Other Directorships

The following table summarizes current directorships of other reporting issuers for the current directors of the Company:

Director	Name of Reporting Issuer and Exchange
Andrew Gutman	Nil
Aly Rahemtulla	Nil
Frank Maw	Nil
Pierre Bélanger	Nil
John Gildner	The Westaim Corporation (TSXV-WED)
Leonard Metcalfe	Nil

12.1.6. Board Orientation, Continuing Education and Assessments

While the Board does not have a formal orientation and training program, new Board members are provided with:

- (i) information respecting the functioning of the Board and its committees;
- (ii) information respecting the nature and operation of the business of the Company;
- (iii) access to recent, publicly-filed documents of the Company, technical reports and the Company’s internal financial information;
- (iv) access to management and technical experts and consultants; and
- (v) a summary of significant corporate and securities responsibilities.

New directors of the Company are provided with insight from other Board members and management regarding the contribution which they are expected to make to the Board in terms of both time and resource commitments. Board members are also encouraged to communicate with management, auditors, technical experts and consultants to keep themselves current with industry trends and developments and changes in legislation; and to attend related industry seminars and visit the Company’s operations, to ensure that each member of the Board maintains the skills and knowledge necessary to meet their obligations as directors. Members of the Board have full access to the Company’s records.

The Board educates itself through the annual budget review process and through the detailed reviews of operational and strategic issues during Board meetings. In addition, the CGN Committee is also responsible for providing continuing education opportunities to existing directors to ensure that each member maintains the skills and knowledge necessary to meet their obligations as directors. The Board expects to select any new directors

from persons who have the requisite knowledge and experience to ensure that the lack of formal policy will not detract from the performance of the Board.

The Board has an informal process in place for assessing its effectiveness, the effectiveness of its committees and the contributions of individual directors. The Board considers the level of involvement in decision making by individual directors and the attendance record at Board and committee meetings when assessing the Board and individual directors.

12.1.7. Ethical Business Conduct

All directors of the Company have an obligation to perform their duties and assume their responsibilities in the best interests of the Company. The Company expects all of its directors to comply with the laws and regulations governing its conduct, and further, is committed to promoting integrity and maintaining the highest standard of ethical conduct in all of its activities. The Board views good corporate governance as an integral component to the success of the Company and to meet its responsibilities to Shareholders.

It is a requirement of applicable corporate law that directors and senior officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and, in the case of directors, abstain from discussions and voting on such matters if the interest is material. These requirements are made clear to all directors and senior officers of the Company.

12.1.8. Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict must disclose his interest and abstain from voting on such matter. The Board must comply with the applicable conflict of interest provisions of the OBCA. In determining whether or not the Company will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

To the best of the knowledge of the directors of the Company, save as described herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors, officers or other members of management of the Company as a result of their outside business interests except that certain of the directors, officers and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers, in accordance with the OBCA, will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

12.1.9. Nomination of Directors

In collaboration with the CGN Committee, the full Board has the responsibility for identifying potential Board candidates. The Board monitors and assesses the mix of skills and competencies required in order for the Board to

fulfil its role effectively. In addition, the Board discusses with each director his intention to continue to serve as a Board member in order to plan and prepare for succession at the Board level in a seamless manner.

12.1.10. Compensation of Directors and Officers

The Board has established the CGN Committee which assists in determining compensation matters for the Company. The CGN Committee is set up to ensure that compensation is competitive within the industry and aligns the interests of such individuals with those of the Company. Please see “*Executive Compensation – Compensation Discussion and Analysis*” for additional details with respect to the compensation provided to directors and officers of the Company.

12.1.11. Director Term Limits and and Female Representation in Management and on the Board

In the fall of 2014 the Canadian Securities Administrators introduced “comply or explain” policies requiring companies to either adopt or explain why they have not adopted (a) policies with respect to term limits for directors; and (b) policies and targets designed to increase participation by women in board matters and in executive positions.

The Company has not adopted a formal policy with respect to director term limits. The Company believes that in taking into account the nature and size of the Board and the Company, it is more important to have relevant experience than to impose set time limits on a director’s tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Company. In lieu of imposing term limits, the Company periodically monitors director performance through formal and informal annual assessments, analyzes the skills and experience necessary for the Board and evaluates the need for director changes to ensure that the Company has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

The Company has not implemented a formal diversity policy; however, the Board has historically and continues to recognize the benefits of, and need for, extending opportunities to all internal personnel and outside candidates, without distinction as to gender, race, colour, religion, sexual orientation, family or marital status, political belief, age, national or ethnic origin, citizenship, disability, or any other basis. The Company’s focus has always been, and will continue to be, working to attract the highest quality executive officers and Board candidates with special focus on the skills, experience, character and behavioural qualities of each candidate.

The Company currently has no female members on its Board and no female officers among the Company’s executive officers. The Company has not set a targeted number or percentage of female representation on its Board or for executive officer positions; however, the Board is mindful of the benefit of diversity in the Company’s leadership positions and the need to maximize the effectiveness of the Board and management in their decision making abilities. Accordingly, in searches for new directors or officers, the Board considers the level of female representation and diversity within its leadership ranks and this is just one of several factors used in its search process. The Company will continue to monitor developments in the area of diversity while reviewing its own practices in order to adopt a policy that is meaningful for the Company.

12.1.12. Board Committees

The Board has three committees: (i) the Audit Committee; (ii) the CGN Committee; and (iii) the mergers and acquisitions committee (the “**M&A Committee**”). The Board oversees the operations of the committees, the appointment of their respective members, their compensation and their conduct. The Board has no intention at this time to establish other standing committees.

12.2. Audit Committee

The Audit Committee is responsible for, among other things, monitoring the Company's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Company's external auditors. The Audit Committee is also responsible for reviewing the Company's annual audited consolidated financial statements, unaudited interim consolidated financial statements and management's discussion and analysis of financial results of operations for both annual and interim consolidated financial statements and review of related operations prior to their approval by the Board.

Further information regarding the Audit Committee is contained in the Company's current annual information form dated December 16, 2015 (the "AIF"), under the heading "Audit Committee". A copy of the Audit Committee charter is attached to the AIF as Appendix "A". The AIF is available under the Company's profile on SEDAR at www.sedar.com.

12.3. Compensation, Governance & Nominating Committee

The CGN Committee (formerly the Human Resources, Compensation, Governance and Nominating Committee) held six meetings relating to the fiscal year ended September 30, 2015. The current members of the CGN Committee and their attendance are set forth below:

Human Resources, Compensation, Governance and Nominating Committee		
Name of Director	Independent ⁽¹⁾	Meeting Attendance
Frank Maw ⁽²⁾	Yes	6 of 6
David Yach	Yes	6 of 6 ⁽³⁾
Greg Rokos	Yes	6 of 4 ⁽⁴⁾
Pierre Bélanger	Yes	6 of 6 ⁽⁵⁾
Kelly McDougald	Yes	1 of 1 ⁽⁶⁾
Andrew Gutman	No	0 of 0 ⁽⁷⁾
Leonard Metcalfe	Yes	0 of 0 ⁽⁸⁾

Notes:

- (1) To be considered independent, a member of the Board must not have any direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. Mr. Gutman is not independent by virtue of his having formerly been the CEO of Webtech (up to September 30, 2015), a subsidiary of the Company which was acquired pursuant to the Arrangement.
- (2) Chair of the CGN Committee.
- (3) Mr. Yach resigned from the Board and the CGN Committee on September 30, 2015, in connection with the Arrangement.
- (4) Mr. Rokos resigned from the Board and the CGN Committee on September 30, 2015, in connection with the Arrangement.
- (5) Mr. Belanger resigned from the CGN Committee on November 6, 2015.
- (6) Ms. McDougald became a member of the CGN Committee on May 13, 2015. Ms. McDougald resigned from the Board and the CGN Committee on September 30, 2015, in connection with the Arrangement.
- (7) Mr. Gutman became a member of the CGN Committee on November 6, 2015.
- (8) Mr. Metcalfe became a member of the CGN Committee on November 6, 2015.

12.3.1. Relevant Education and Experience

For a general description of the CGN Committee member's relevant education and experience, please see "Business of Meeting – Election of Directors" and Section 12.2.2 above.

12.3.2. Responsibilities of the CGN Committee

The CGN Committee is appointed by the Board. Some of the main responsibilities of the CGN Committee include:

- making recommendations to the Board in regards to the compensation of the Company's directors and executive officers;
- reviewing all executive compensation policies and making recommendations to the Board, where appropriate, in relation to such policies;
- overseeing of the Company's activities related to corporate governance, legal and regulatory compliance, Board composition, Board nominations and Board conduct and training;
- reviewing policies relating to corporate governance matters generally;
- reviewing and assessing the effectiveness of the Board and individual directors;
- establishing and maintaining position descriptions for the Chairman of the Board and the Chair of each of the Board's committees;
- assisting the Board in identifying candidates for nomination as directors of the Company and recommending nominees to the Board;
- engaging and, as necessary, directing independent compensation consultants, independent counsel and other advisors as it determines necessary to carry out its duties; and
- reviewing the Board's relationship with the Company's management to ensure the Board is able to act independently of management.

12.4. Mergers and Acquisition Committee

The Board established the M&A Committee on March 10, 2014. The M&A Committee was responsible for overseeing potential merger and acquisition opportunities and making recommendations, where applicable, to the Board regarding possible merger and acquisition activity.

The M&A Committee did not hold any meetings relating to the fiscal year ended September 30, 2015. The M&A Committee was dissolved by the Board on March 12, 2015, and the previous matters delegated to the M&A Committee have been assumed by the Board.

13. GENERAL

Except where otherwise indicated, information contained herein is given as of the 11th day of February, 2016.

14. ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com. Financial information concerning the Company's most recently completed fiscal year is provided in the comparative financial statements for the years ended September 30, 2015 and September 30, 2014 and the related MD&A. Inquiries including requests for copies of the Company's financial statements and the related MD&A for the fiscal year ended September 30, 2015, may be directed to the Corporate Secretary of the Company at 75 International Blvd., Suite 100, Toronto, ON M9W 6L9.

15. APPROVAL

The contents of this Circular and the sending thereof to Shareholders, directors and the auditors of the Company, have been approved by the Board.

ON BEHALF OF THE BOARD OF DIRECTORS

"Aly Rahemtulla"

Aly Rahemtulla
President and Chief Executive Officer

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