



NOTICE OF ANNUAL AND SPECIAL
MEETING OF SHAREHOLDERS
ON FEBRUARY 15, 2023

2022 MANAGEMENT INFORMATION CIRCULAR

MOVING THE WORLD FORWARD



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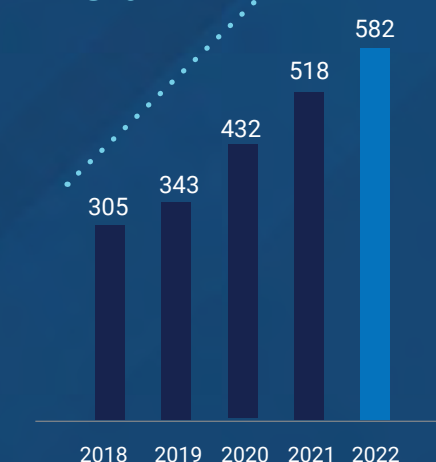
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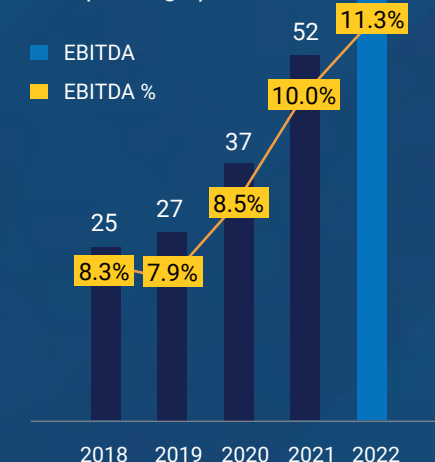
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FINANCIAL HIGHLIGHTS

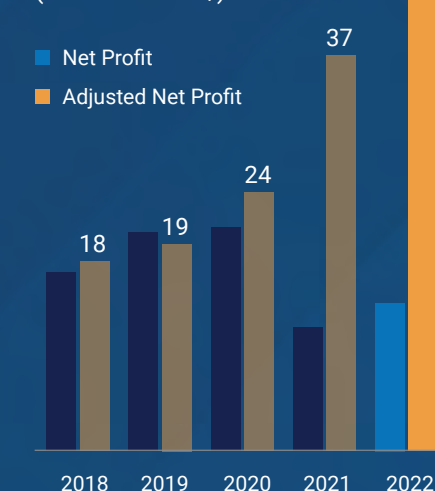
Revenues
(in millions of \$)
+18%



EBITDA¹ & EBITDA Margin¹
(in millions of \$, except margin)



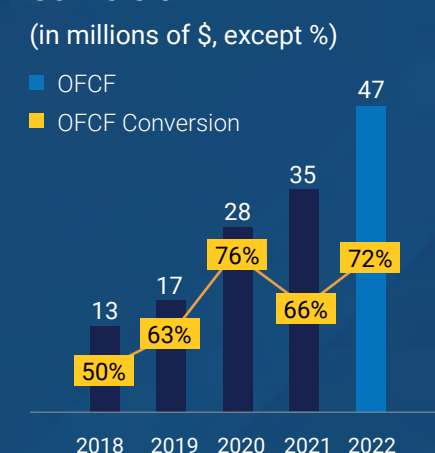
Net Profit & Adjusted Net Profit¹
(in millions of \$)



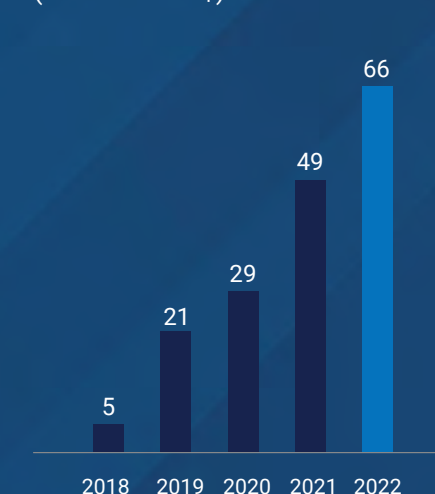
Backlog and New Contract Signings
(in millions of \$)



Operating Free Cash Flow⁽¹⁾ & Operating Free Cash Flow Conversion
(in millions of \$, except %)



Investments in Acquisitions
(in millions of \$)



¹) This is a non-GAAP measure and is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Please refer to the latest Calian MD&A at www.SEDAR.com for a discussion as to how this measure is calculated and used by Calian as well as the limitations of such non-GAAP measures.

LETTER TO SHAREHOLDERS

This year marks Calian Group Ltd's (the "Company" or "Calian") 40th anniversary. Over the years, Calian has evolved from a small consulting start-up in Canada to a company with a talented and dedicated workforce of 4,500 people around the globe, of which 3,100 are employees and approximately 1,400 are contractors. Revenue growth over the past five years has been remarkable with a compound annual growth rate of 18%. Fiscal 2022 was, once again, a record year despite the lingering effects from the pandemic, supply chain issues, global conflict, tight labour markets and inflationary pressures.

Achieving Record Financial Results

Fiscal 2022 was a record year on several key performance indicators. Our revenues surpassed the half-billion-dollar mark for the second consecutive year to reach \$582 million, gross profit reached \$169 million and gross margin was just shy of 30%, the highest in our history. In fact, adjusted EBITDA grew 27%, above revenue growth of 12% and Calian generated net profit for the 21st consecutive year. These results are a testament to strong leadership, committed employees and loyal customers.

During the year, we continued to execute on our four pillars of growth, namely customer retention, customer diversification, innovation and

continuous improvement. We achieved notable successes across our four-piston engine. We signed \$699 million of new contracts. Noteworthy examples include an agreement for a third high-performance antenna for NASA's Very Long Baseline Interferometry (VLBI) Global Observing System (VGOS) and a three-year contract for the Royal Canadian Air Force, a long-time customer, to deliver e-learning.

We also completed strategic acquisitions—namely Computex, a U.S.-based IT solution provider and cybersecurity company, which allows us to expand in the U.S. market and diversify our offering, and SimFront, a solutions provider for the defence software industry, which allows us to provide end-to-end military training and simulation capabilities and pursue new opportunities with customers seeking integration and immersive training support. Driven by acquisitions, we continued to increase our gross margins and diversify our revenue streams. On a consolidated basis, 29% of our business was generated from outside Canada, while 27% was generated from technology products and 53% from commercial customers.

Furthermore, we continued to make investments in innovation. For example, we introduced Calian Nexi™, an automated patient support program that enhances the patient's experience

throughout their treatment journey, and we re-launched Corolar Virtual Care, a platform that enables healthcare providers to deliver high-quality virtual care to their patients.

Optimizing Capital Allocation

Our strong profitability translated into operating free cash flow of \$47 million. We deployed our capital to make acquisitions for \$66 million, pay dividends for \$13 million and invest in innovation for \$7 million to support future organic growth. We ended the year once again in a net cash position. With over \$115 million in net liquidity, we have ample dry powder to pursue our growth.

Renewing our Board of Directors

This year saw changes at the board level. Long-serving board member and former chair, Ken Loeb, retired from the board of directors. We thank Ken for his valuable contributions and years of service. We welcomed Valerie Sorbie to the board in February 2022. Valerie's extensive experience in governance, strategy, operations and human resources strengthens the capabilities of the Calian board. With these latest changes, the board is comprised of seven directors, of which six are independent and three are women.

Launching our Inaugural ESG report

On November 24, 2022, we launched our inaugural ESG report. While this is our first report, we have been committed to social responsibility for many years. Our report describes our ESG journey, our vision and our approach. For further details on our 2022 performance data and focus for 2023 please download the report.

[Download ESG Report](#)

Looking Ahead

We are very optimistic for the future. With our track record of profitable growth, \$1.3 billion in backlog, strong balance sheet, ample liquidity and solid pipeline of acquisitions, we are on track to successfully transform into a global technology company with \$1 billion in revenues.

In closing, I would like to thank our customers for their loyalty and trust, our employees for their dedication and hard work, our suppliers for their unwavering collaboration in managing the supply chain and our shareholders for their continued support.



George Weber
Chair



NOTICE OF 2023 ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

WHEN

February 15, 2023
11:00 AM (ET)

WHERE

Globe and Mail Centre
351 King Street E #1600, 17th floor
Toronto, Ontario

RECORD DATE

December 19, 2022

Items of business

- 1) To receive the audited consolidated financial statements of the Corporation for the financial year ended September 30, 2022, and the auditors' report
 - 2) To elect the directors of the Corporation
 - 3) To appoint the auditors and to authorize the directors of the Corporation to fix the auditors' remuneration
 - 4) To consider and, if deemed advisable, pass an ordinary resolution approving the renewal and amendment of the Corporation's Stock Option Plan
 - 5) To consider and, if deemed advisable, pass an ordinary resolution approving the renewal and amendment of the Corporation's Restricted Share Unit Plan
 - 6) To consider and, if deemed advisable, pass an ordinary resolution approving the renewal of the Corporation's Shareholder Rights Plan
 - 7) Other business that may properly come before the meeting
- All of the items of business for the meeting are more fully described in the accompanying management information circular ("Circular").

Delivery of materials

The Corporation is sending proxy-related materials to registered and non-registered shareholders using Notice and Access. Notice and Access is a set of rules that reduces the volume of materials that must be physically mailed to shareholders by posting the information circular and additional materials online. Shareholders will still receive the Notice of Meeting and may choose to receive a hard copy of the Circular and other materials. The Corporation will not use the procedure known as "stratification" in relation to its use of Notice and Access. Details are included in the Notice of Meeting.

The Circular, this Notice of Meeting, a form of proxy, the annual information form, the audited annual financial statements of the Corporation for the year ended September 30, 2022, and the management's discussion and analysis relating to such financial statements are available on SEDAR at www.sedar.com and at www.calian.com. Shareholders are reminded to review these online materials when

voting. Shareholders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting the Corporation, at the toll-free number 1-877-225-4264. In order for shareholders to receive paper copies of such materials in advance of any deadline for the submission of voting instructions and the date of the Meeting, it is recommended to contact the Corporation, at the number above as soon as possible but not later than January 31, 2023.

If you are a registered shareholder a form of proxy is enclosed. A copy of the proxy is also available on SEDAR at www.sedar.com and at www.calian.com. If you are a non-registered shareholder a voting instruction form is enclosed. Shareholders are requested to complete, sign and return such form of proxy or voting instruction form, as applicable. In order for a registered shareholder to be represented by proxy at the Meeting, the shareholder must complete and submit the enclosed form of proxy or other appropriate form of proxy. Completed forms of proxy must be received by TSX Trust Company at Proxy Department, PO Box 721, Agincourt, ON M1S 0A1, not later than 11:00 a.m. (Eastern Time) on Monday, February 13, 2023 or may be accepted by the Chair of the Meeting prior to the commencement of the Meeting. The Form of Proxy also provides details on how you may submit your proxy by telephone or internet. Non-registered shareholders should use the enclosed voting instruction form to provide voting instructions. The voting instruction form contains instructions on how to complete the form, where to return it to and the deadline for returning it. It is important to read and follow the instructions on the voting instruction form in order to have your vote count.

BY ORDER OF THE BOARD OF DIRECTORS



Patrick Houston,
Chief Financial Officer and Corporate Secretary
Kanata, Ontario
December 19, 2022





WHERE TO SEND PROXIES

Shareholders are requested to complete, sign and return such form of proxy or voting instruction form, as applicable. Completed forms of proxy must be delivered to the Corporation's transfer agent, TSX Trust Company, at Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, in the addressed envelope enclosed or by fax to 1-866-781-3111, or by email to proxyvote@tmx.com or to the Secretary of the Corporation no later than 11:00 a.m. (Eastern Time) on Monday, February 13, 2023.

MANAGEMENT INFORMATION CIRCULAR

FORWARD-LOOKING STATEMENTS

This Management Information Circular is provided to you as an owner of common shares of Calian Group Ltd. as of the close of business on December 19, 2022 (the record date), which entitles you to attend our 2023 annual and special meeting of shareholders and vote your shares.

This year's meeting will be held in person on February 15, 2023 at the Globe and Mail Centre, 351 King Street E #1600, 17th floor, Toronto, Ontario. Please note that in-person attendance is subject to all laws, regulations and public health measures applicable to indoor public gatherings as of February 15, 2023, including capacity limits, proof of vaccination requirements and mask mandates. Advanced voting is recommended due to unpredictability of restrictions caused by the COVID-19 pandemic.

Management is soliciting your proxy for the meeting. Solicitation will be primarily by mail, but officers, employees or agents of the Corporation may also solicit proxies personally, at nominal cost and without additional compensation. The cost of solicitation will be borne by Calian.

Additional Information

Additional Information about Calian, including our audited consolidated financial statements and Management's Discussion and Analysis (MD&A) is available on our website

(www.calian.com) and on SEDAR (www.sedar.com). You can also contact Investor Relations at ir@calian.com.

Board Approval

The Calian Board of Directors has approved the contents of this Management Information Circular and authorized the delivery to our shareholders. A copy has also been provided to each director and to our auditors.

Reference Terms

Except as otherwise stated, the information contained in this Circular is given as of December 19, 2022. The record date for the meeting is December 19, 2022.

All dollar amounts in this Circular are in Canadian dollars.

Calian is incorporated pursuant to the Canada Business Corporations Act (CBCA).

"Circular" means this Management Information Circular

"Meeting" means our February 15, 2023 Annual and Special Meeting of Shareholders

"We, us, our, company, corporation and Calian" mean Calian Group Ltd.

"You" means Calian shareholders

Notice and Access

Calian is sending proxy-related materials to all shareholders using Notice and Access. Notice and Access is a set of rules that reduces the volume of materials that must be physically mailed to shareholders by posting the information circular and additional materials online. Shareholders will still receive the Notice of Meeting and may choose to receive a hard copy of the Circular and other materials. Details are included in the Notice of Meeting. This Circular, the Notice of Meeting, a form of proxy, the Annual Information Form, the Calian audited annual financial statements for the year ended September 30, 2022, and the Management's Discussion and Analysis relating to such financial statements are available on SEDAR at www.sedar.com and at www.calian.com. Shareholders are reminded to review these online materials when voting. Shareholders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting Calian at the toll-free number 1-877-225-4264. The Corporation will not use the procedure known as "stratification" in relation to its use of Notice and Access.

Calian cautions that this Management Information Circular contains forward-looking statements. These forward-looking statements are based on certain assumptions made by the Company that may prove to be inaccurate. Forward-looking statements include those identified by the expressions "anticipate," "believe," "plan," "estimate," "expect," "intend" and similar expressions. Forward-looking statements are not historical facts, but reflect the Company's current intentions, plans, expectations and assumptions regarding future results or events. Forward-looking statements are intended to assist readers in understanding management's expectations as of the date of this Management Information Circular and may not be suitable for other purposes. Forward-looking statements in this document include, but are not limited to, the manner in which the Company intends to achieve and maintain growth, management's expectations for the markets in which the Company provides its services and competition to be faced by the Company and expectations for certain customer projects described herein including expected timing of completion for certain projects.

Forward-looking statements are based on assumptions, including assumptions as to the following factors:

- Customer demand for the Company's services;
- the Company's ability to maintain and enhance customer relationships;
- market conditions;
- levels of government spending;
- the Company's ability to bring to market the products and services; and
- the Company's ability to execute on its acquisition program including successful integration of previously acquired businesses.

The Company cautions that the forward-looking statements in this Management Information Circular are based on current expectations as at December 19, 2022 that are subject to change and to risks and uncertainties, many of which are outside the Company's control. Actual results may materially differ from such forward-looking information due to facts such as customer demand, customer relationships, new service offerings, delivery schedules, revenue mix, competition, pricing pressure, foreign

currency fluctuations and uncertainty in the markets in which the Company conducts business. Additional information identifying risks and uncertainties is contained in the Company's filings with securities regulators. The Company does not assume any intention or obligation to publicly update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Readers should not place undue reliance on the Company's forward-looking statements.

VOTING INFORMATION

Voting securities and principal holders of voting securities

As at December 19, 2022, 11,653,664 Common Shares were issued and outstanding, the holders of which are entitled to one vote for each Common Share held. The board of directors has fixed the close of business on December 19, 2022 as the record date for the purpose of determining shareholders entitled to receive notice of and to vote at the Meeting. The failure of any shareholder to receive notice of a meeting of the shareholders does not, however, deprive such shareholder of a vote at such meeting. As of December 19, 2022, no shareholder is known to the directors or executive officers of the Corporation to be the beneficial owner of or exercise control or direction, directly or indirectly, over more than 10% of the Common Shares.

Solicitation of proxies

This Management Proxy Circular (this "Circular") is furnished in connection with the solicitation by the management of Calian Group Ltd. (the "Corporation") of proxies to be used at the annual and special meeting of shareholders of the Corporation to be held on Wednesday, February 15, 2023 at 11:00 a.m. (Eastern Time), at the Globe and Mail Centre, 351 King Street E #1600, 17th floor, Toronto, Ontario M5A 0N1, for the purposes set forth in the enclosed Notice of Meeting or any adjournment thereof (the "Meeting"). It is expected that the solicitation will be primarily by mail, but officers, employees or agents of the Corporation may also solicit proxies personally, at nominal cost and without additional compensation. The cost of solicitation by management will be borne by the Corporation. Except as otherwise stated, the information contained in this Circular is given as of December 19, 2022. All dollar amounts in this Circular are in Canadian dollars unless otherwise indicated.

Appointment of proxy holders by registered holders

A vote at all meetings of shareholders of the Corporation may be given in person or by proxy, whether or not the proxy holder is a shareholder. The persons named in the Form of Proxy enclosed with this Circular are officers of the Corporation.

The officers named in the Form of Proxy will vote for, against or withhold from voting the common shares in the capital of the Corporation (the "Common Shares") for which they are appointed proxy holders (including on any ballot that may be called for) in accordance with the instructions of the shareholder appointing them. If a shareholder appoints some person other than the officers named in the Form of Proxy to represent the shareholder, such person will vote the Common Shares in respect of which that person is appointed proxy holder in accordance with the direction of the shareholder who appointed that person. In the absence of such direction, that person may vote such shares at that person's discretion. It is the responsibility of the shareholder appointing any other person to represent such shareholder to inform that person that that person has been so appointed. In the absence of such instructions, such Common Shares will be voted FOR all matters scheduled to come before the Meeting.

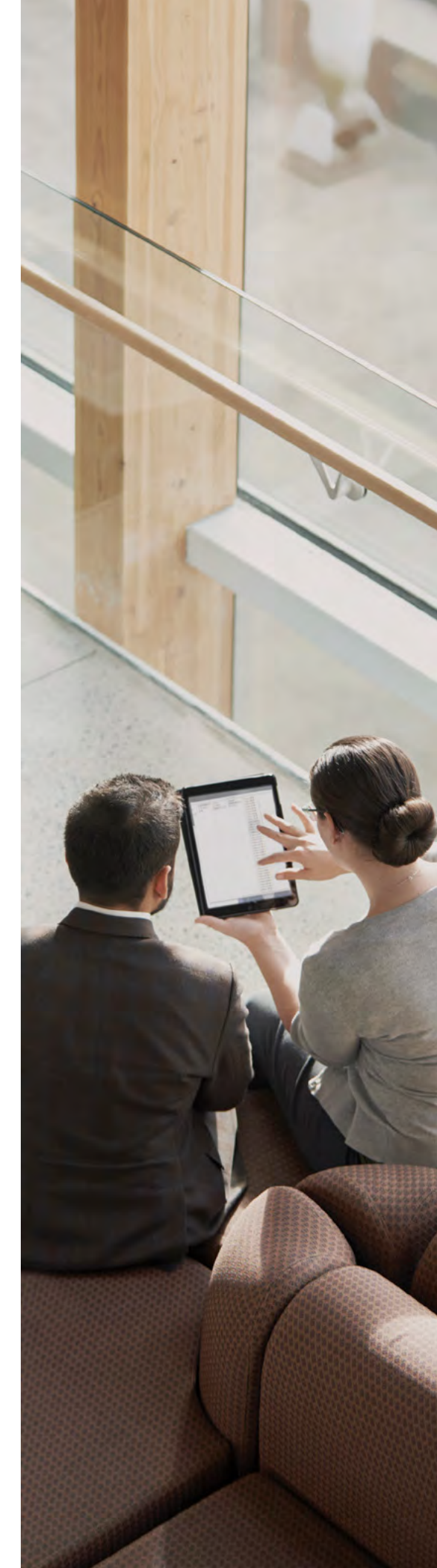
The Form of Proxy confers discretionary authority with respect to amendments or variations to matters identified in the notice of meeting and other matters, which may properly come before the Meeting. At the date hereof, management of the Corporation is not aware of any other matters to come before the Meeting. Any amendment, variation or other matter, which is not known to management, which may properly come before the Meeting, will be voted upon by the proxies hereby solicited in accordance with the best judgment of the person or persons voting such proxies.

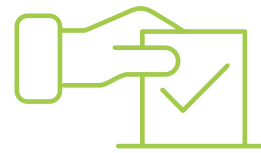
Revocation of proxies by registered holders

Pursuant to Section 148(4) of the Canada Business Corporations Act (the "CBCA"), a proxy given pursuant to this solicitation may be revoked (1) by instrument in writing, executed by the shareholder or by the shareholder's attorney authorized in writing and deposited (a) at the registered office of the Corporation at 770 Palladium Drive, suite 400, Ottawa, Ontario, K2V 1C8 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 (b) prior to voting with the chair of the Meeting on the day of the Meeting, or any adjournment thereof or (3) in any other manner permitted by law.

Revocation of proxies by non-registered holders

A Non-Registered Holder may revoke a voting instruction form previously given to an intermediary by providing written notice to your intermediary following the instructions on the voting instruction form. To ensure that an intermediary, as applicable, acts upon a revocation of a voting instruction form, the written notice should be received well in advance of the Meeting.



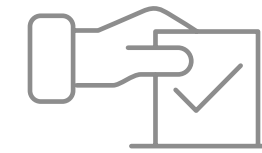


Registered shareholders

Each registered shareholder is entitled to appoint a person other than the individuals named in the Form of Proxy to represent such shareholder at the Meeting. A registered shareholder desiring to appoint some other person to represent that shareholder at the Meeting may do so either by inserting such person's name in the blank space provided in the appropriate Form of Proxy or by completing another proper Form of Proxy.

If you are a registered shareholder a Form of Proxy is enclosed. A copy of the proxy is also available on SEDAR at www.sedar.com and at www.calian.com.

In order for a registered shareholder to be represented by proxy at the Meeting, the shareholder must complete and submit the enclosed form of proxy or other appropriate Form of Proxy. Completed Forms of Proxy must be received by TSX Trust Company at Proxy Department, PO Box 721, Agincourt, ON M1S 0A1, not later than 10:00 a.m. (Eastern Time) on 11:00am on Monday, February 13, 2023 or may be accepted by the Chair of the Meeting prior to the commencement of the Meeting. The Form of Proxy also provides details on how you may submit your proxy by telephone or internet.



Non-registered shareholders

If you hold your common shares through a brokerage account or other intermediary, you are a non-registered holder. An intermediary may include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or a clearing agency—such as the Canadian Depository for Securities Limited (“CDS”)—of which the intermediary is a participant. Non-registered holders should carefully follow the instructions, including those regarding when and where the voting instruction form is to be delivered. If you or a person you designate plan to attend the meeting and vote you must appoint yourself or that person as proxy using the voting instruction form.

A non-registered holder may revoke a voting instruction form previously given to an intermediary by providing written notice to your intermediary following the instructions on the voting instruction form. To ensure that an intermediary, as applicable, acts upon a revocation of a voting instruction form, the written notice should be received well in advance of the Meeting.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the meeting materials to intermediaries and clearing agencies for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. If you are a Non-Registered Holder, your name and address will appear on the voting instruction form sent to you by the Corporation's transfer agent, TSX Trust Company, or by an intermediary (bank, broker or trust company).

Non-registered shareholders should use the enclosed voting instruction form to provide voting instructions. The voting instruction form contains instructions on how to complete the form, where to return it to and the deadline for returning it. It is important to read and follow the instructions on the voting instruction form in order to have your vote count.

MEETING INFORMATION



There are six items of business to address at the meeting, five of which shall be voted on, as follows:

1 Presentation of Financial Statements and Other Financial Information

In accordance with the provisions of the CBCA, the Financial Statements are presented at the Meeting and will not be voted on.

Calian audited financial statements for the year ended September 30, 2022 (the “Financial Statements”) and the auditors’ report on the Financial Statements will be presented to shareholders at the Meeting. The Financial Statements are included in the Corporation’s 2022 Annual Report which accompanies this Circular.

The Corporation has filed an Annual Information Form (the “AIF”) for its 2022 fiscal year and its 2022 Annual Report on SEDAR at www.sedar.com that contain, among other things, all of the financial disclosure (including copies of the Financial Statements and management’s discussion and analysis of the Financial Statements) required under National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators. In particular, the information that is required to be disclosed in Form 52-110F1 of National Instrument 52-110 may be found under

the heading “Audit Committee” in the AIF. Upon request, the Corporation will promptly provide copies of the AIF to shareholders free of charge.

2 Election of Directors

The board is elected annually. While there are currently seven directors serving on the board, shareholders are asked to set the number of directors to be elected at the Meeting at eight.

Each of the persons listed below is proposed to be nominated as a director of Calian to serve until the next annual and special meeting or until such person’s successor is elected or appointed, and each has agreed to serve as director if elected:

George Weber

Ray Basler

Jo-Anne Poirier

Young Park

Ronald Richardson

Valerie Sorbie

Lori O’Neill

Kevin Ford

Further information on the Calian Majority Voting Policy is provided on page 22. Profiles of the nominated directors are provided beginning on page 23.

Unless a shareholder directs that such shareholder’s common shares are to be voted against the election of directors, the persons designated in the enclosed proxy will vote FOR the election of each proposed nominee listed in the table above, all of whom are currently directors of Calian except for Lori O’Neill.

3 Appointment of Auditors

During 2022, the Company held an RFP process to identify and select its auditor. This process was designed to identify the optimal candidate considering multiple criteria, including capability, value for money and responsiveness.

On November 24, 2022, the Board of Directors of the Company made the decision to propose to holders of its qualified securities that KPMG LLP be appointed as the Company’s auditor. On November 24, 2022, the Audit Committee considered and approved the change. On December 13, 2022, the Audit Committee and the board considered and approved, subject to shareholder approval, Deloitte LLP’s resignation, and KPMG LLP’s appointment. None of Deloitte LLP’s reports on the Company’s Financial Statements relating to the relevant period (as defined in National Instrument 51-102 – Continuous

Disclosure Obligations (“NI-51-102”)) has expressed a modified opinion. There were no reportable events (as defined in NI 51-102). The Company’s Notice of Change of Auditor and the responses of Deloitte LLP and KPMG LLP are attached in Appendix B to this Circular.

At the meeting, shareholders will be asked to appoint KPMG LLP as auditors of Calian and to authorize the directors to fix the auditors’ remuneration.

The board recommends to the shareholders that they appoint KPMG LLP as auditors of Calian and authorize the directors to fix the auditors’ remuneration.

4 Approve the Renewal and Amendment of the 2016 Stock Option Plan

Shareholders will vote to reapprove and amend the 2016 Stock Option Plan (SOP). The SOP was originally implemented in February 2017 and was reaffirmed in 2020.

Pursuant to the rules of the TSX, the unallocated options, rights or other entitlements under a TSX-listed issuer’s security-based compensation

arrangement that does not have a fixed maximum number of securities issuable (which includes the SOP), must be approved by a majority of the issuer’s directors and by the issuer’s security holders every three years. Since the SOP does not have a fixed number of Common Shares issuable, the Corporation is seeking shareholder approval of the SOP at the Meeting and all of the unallocated options issuable thereunder.

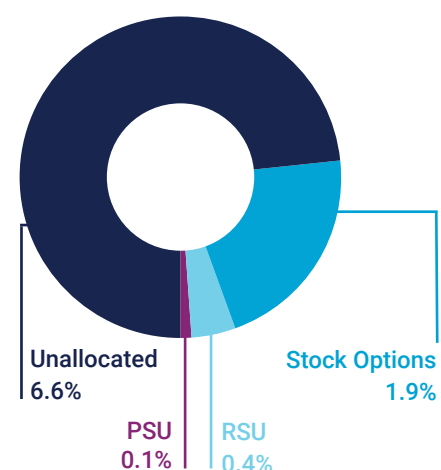
The maximum aggregate number of Common Shares that may be issued pursuant to the exercise of options granted pursuant to the SOP, together with the aggregate number of Common Shares issuable at that time under the Corporation’s other security-based compensation arrangements, shall not exceed nine per cent (9%) of the outstanding Common Shares of the Corporation at that time.

The company has utilized a balance of stock options, restricted share units with vesting over three years and performance share units (new in 2022) to achieve a balance of performance driven awards, retention and alignment with shareholders.

The equity plans re-approved in 2020 utilize a combined 9% of shares outstanding as the cap for equity



grants. In fiscal 2022, a total of 0.7% of this allotment was granted in the form of equity compensation (2021—0.4%, 2020—1.3%). As of September 30, 2022, the company had 6.6% of this pool un-allocated (2021—6.4%, 2020—6.1%).



See below under the heading “Securities Authorized For Issuance Under Equity Compensation Plans” for a summary of the currently outstanding options and the current availability for additional grants.

A copy of the complete SOP is attached in Appendix C and is available on SEDAR at www.sedar.com. Copies are also available from the Corporate Secretary of the Corporation at its registered office located at 770 Palladium Drive, suite 400, Ottawa, Ontario K2V 1C8.

The SOP and the unallocated options thereunder were approved by shareholders on February 6, 2020 at the Annual and Special Meeting of Shareholders. An ordinary resolution will be placed before shareholders at the Meeting to reconfirm the SOP and

approve the unallocated options thereunder.

On November 24, 2022, the board approved, subject to shareholder approval, amendments to the SOP (the “Amended SOP”) to (i) provide that all stock options granted under the plan shall have an exercise equal to the five-day VWAP of the Common Shares on the TSX as of the date of grant; (ii) to increase the period of time in which options can be exercised after retirement of an option holder to 18 months (up from 180 days); and (iii) to permit the Corporation to create sub-plans in jurisdictions where additional terms may be required in order to grant options to its insiders, among other minor administrative amendments.

If approval is obtained at the Meeting, Calian will not be required to seek further approval of the grant of unallocated options under the amended SOP until the Calian 2026 Annual Shareholders Meeting.

If approval is not obtained at the Meeting, options which have not been allocated as of February 6, 2023 (the third anniversary of the last shareholder approval of the SOP) and options which are outstanding as of February 6, 2023 and are subsequently cancelled, terminated or exercised will not be available for a new grant of options.

Previously allocated options will continue to be unaffected by the approval or disapproval of the resolution.

The Company builds its strategic planning over a three-year cycle, with revisions each year, and customers engage the Company in long term projects. Retention is critical for the Company in order to deliver on both its long term planning objectives and customer commitments. The granting of options has been a successful strategy used by Calian to attract and retain qualified employees and the loss of this incentive element from the overall employee compensation arrangements would be significant.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, the 2016 Stock Option Plan Resolution set out in Appendix C to this Circular (the “2016 Stock Option Plan Resolution”). To be effective, the 2016 Stock Option Plan Resolution must be passed by a simple majority of the votes cast thereon by the shareholders present in person or by proxy at the Meeting.

The board recommends to the shareholders that they approve the 2016 Stock Option Plan Resolution.

The persons named in the enclosed form of proxy, if named as proxy,

intend to vote in favour of the 2016 Stock Option Plan Resolution unless a shareholder has specified in his or her proxy that his or her shares are to be voted against such resolution.

5 Approve the Renewal and Amendment of the Restricted Share Unit Plan

Shareholders will vote to reapprove and amend the Restricted Share Unit Plan (“RSUP”). The RSUP was originally approved by shareholders in February 2017 and was reaffirmed in 2020.

Pursuant to the rules of the TSX, the unallocated options, rights or other entitlements under a TSX-listed issuer’s security-based compensation arrangement that does not have a fixed maximum number of securities issuable (which includes the RSUP), must be approved by a majority of the issuer’s directors and by the issuer’s security holders every three years. Since the RSUP does not have a fixed number of Common Shares issuable thereunder, the Corporation is seeking shareholder approval at the Meeting of the RSUP and all of the unallocated restricted share units (“RSUs”) issuable from treasury thereunder.

The maximum aggregate number of Common Shares that may be issued pursuant to the RSUs granted pursuant to the RSUP, together with the aggregate number of Common Shares issuable at that time under the

Corporation’s other security-based compensation arrangements, shall not exceed nine per cent (9%) of the outstanding Common Shares at that time.

A copy of the complete RSUP is attached in Appendix D and is available on SEDAR at www.sedar.com. Copies are also available from the Corporate Secretary of the Corporation at its registered office located at 770 Palladium Drive, suite 400, Ottawa, Ontario K2V 1C8.

The RSUP and the unallocated RSUs thereunder were approved by shareholders on February 6, 2020 at the Annual and Special Meeting of Shareholders. An ordinary resolution will be placed before shareholders at the Meeting to reconfirm the RSUP and approve the unallocated RSUs thereunder.

On November 24, 2022, the board approved, subject to shareholder approval, amendments to the RSUP (the “Amended RSUP”) to permit the Corporation to create sub-plans in jurisdictions where additional terms may be required in order to grant options to its insiders, among other minor administrative amendments.

See below under the heading “Securities Authorized For Issuance Under Equity Compensation Plans” for a summary of the currently outstanding RSUs and the current availability for additional grants.

The table below illustrates the company’s grant history against the SOP and restricted share unit plans previously approved by shareholders in 2020 and 2016.

	2022	2021	2020	2019	2018
Equity Instruments Granted					
Stock Options	40,646	29,175	132,538	128,600	96,600
RSU	27,679	19,989	23,015	36,693	14,507
PSU	9,522	-	-	-	-
% of equity granted					
Stock Options	52%	59%	85%	78%	87%
RSU	36%	41%	15%	22%	13%
PSU	12%	0%	0%	0%	0%

If approval is obtained at the Meeting, Calian will not be required to seek further approval of the grant of unallocated RSUs under the Amended RSUP until the 2026 annual shareholders meeting.

If approval is not obtained at the Meeting, RSUs which have not been allocated as of February 6, 2023 (the third anniversary of the last shareholder approval of the RSUP) and RSUs which are outstanding as of February 6, 2023 and are subsequently terminated will not be available for a new grant of RSUs. Previously allocated RSUs will continue to be unaffected by the approval or disapproval of the resolution. The granting of RSUs has been a successful strategy used by the Corporation to attract and retain qualified employees and the loss of this incentive element from the overall employee compensation arrangements would be significant.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, the Restricted Share Unit Plan Resolution set out in Appendix D to this Circular (the "2016 Restricted Share Unit Plan Resolution"). To be effective, the Restricted Share Unit Plan Resolution must be passed by a simple majority of the votes cast thereon by the shareholders present in person or by proxy at the Meeting.

The board recommends to the shareholders that they approve the Restricted Share Unit Plan Resolution.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the Restricted Share Unit Plan Resolution unless a shareholder has specified in his or her proxy that his or her shares are to be voted against such resolution.

6 Approve the Renewal of the 2020 Shareholder Rights Plan

Shareholders will vote to re-approve the 2020 Shareholder Rights Plan. The Shareholder Rights Plan was originally implemented and approved by shareholders in 2020.

The Corporation and AST Trust Company (Canada) (the "Rights Agent") entered into a 2020 Shareholder Rights Plan Agreement dated as of December 11, 2019 (the "SRP"). The SRP provides a right (which may only be exercised if a person acquires control of 20% or more of the Common Shares) for each shareholder, other than the person that acquires 20% or more of the Common Shares, to acquire additional Common Shares at one-half of the market price at the time of exercise. This significantly dilutes the share position of the person that acquires 20% or more of the

Common Shares and practically prevents that person from acquiring control of 20% or greater of the Common Shares unless the rights plan has been withdrawn or the buyer makes a Permitted Bid (as defined in the SRP).

The most common approaches that a buyer may take to have a rights plan withdrawn are to negotiate with the Board of Directors to have the rights plan waived, or to apply to a securities commission to order withdrawal of the rights plan if the Corporation cannot develop an auction. Both of these approaches will give the Board of Directors more time and control over any sale process and increase the likelihood of a better offer to the Corporation's shareholders. See "Objectives of the 2020 Shareholder Rights Plan" below.

A summary of the key features and the full text of the SRP is attached as Appendix E hereto. The complete text of the SRP is available on SEDAR at www.sedar.com and is available from the Corporate Secretary of the Corporation at its registered office located at 770 Palladium Drive, suite 400, Ottawa, Ontario K2V 1C8.

Objectives of the SRP

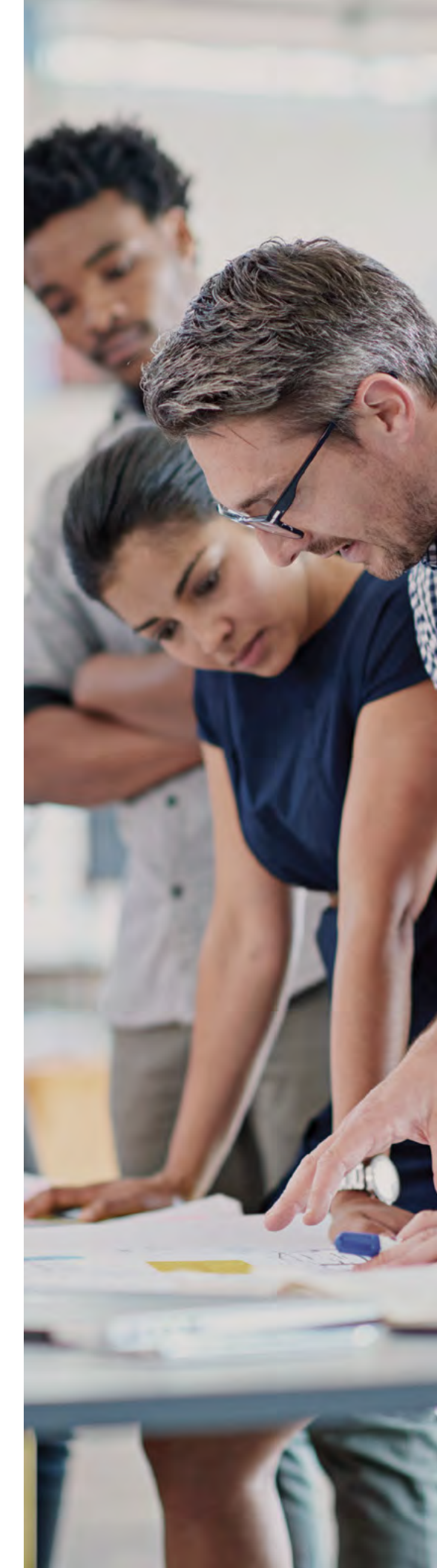
The SRP was not adopted in response to or in anticipation of any pending or threatened take-over bid, nor to deter take-over bids generally. As of the date of this Circular, the Board of Directors is

not aware of any third party considering or preparing any proposal to acquire control of the Corporation. In approving the SRP, the Board of Directors considered that while existing securities legislation has addressed many concerns relating to sufficient timing to assess a bid and its alternatives or of unequal treatment of shareholders, there remains the possibility that control or effective control of an issuer may be acquired pursuant to a private agreement in which a small group of security holders dispose of their securities at a premium to market price which premium is not shared with other security holders. For example, a bidder could acquire blocks of shares by private agreement from one or a small group of shareholders at a premium to market price which is not shared with the other shareholders. In addition, a person may slowly accumulate securities through stock exchange acquisitions which may result, over time, in an acquisition of control or effective control without payment of fair value for control or a fair sharing of a control premium among all security holders. These are generally known as "creeping bids" or "exempt bids".

The SRP addresses these concerns by applying to all acquisitions of greater than 20% of the Common Shares, including those acquisitions that are not subject to the formal take-over bid rules under Canadian securities laws, to

better ensure that shareholders receive equal treatment. In addition, existing securities legislation and existence of the SRP continue to ensure that, in the context of a bid for control of the Corporation through an acquisition of the Common Shares, the Board of Directors has sufficient time to assess alternatives for maximizing shareholder value as it considers in its judgment to be in the best interests of the Corporation, including: continued implementation of the Corporation's long-term strategic plans, as these may be modified by the Corporation from time to time; to provide adequate time for competing bids to emerge; to ensure that shareholders have an equal opportunity to participate in such a bid and to give them adequate time to properly assess the bid; and lessen the pressure to tender typically encountered by a security holder of an issuer that is subject to a bid.

The SRP in no way prohibits a change of control of the Corporation in a transaction that is fair and in the best interests of all shareholders of the Corporation. The rights of shareholders to seek a change in the management of the Corporation or to influence or promote action of management in a particular manner will not be affected by the SRP. The reapproval of the SRP does not affect the duty of a director to act honestly and in good faith with a view to the best interests of the Corporation.



General Impact of the SRP

It is not the intention of the Board of Directors, in re-approving the SRP, to secure the continuance of existing directors or management in office, nor to avoid a bid for control of the Corporation in a transaction that is fair and in the best interests of the Corporation and its shareholders. For example, through the Permitted Bid mechanism, described in more detail in the summary contained in Appendix E hereto, shareholders may tender to a bid that meets the Permitted Bid criteria without triggering the SRP, regardless of the acceptability of the bid to the board of directors. Furthermore, even in the context of a bid that does not meet the Permitted Bid criteria, the Board of Directors will continue to be bound to consider fully and fairly any bid for the Common Shares in any exercise of its discretion to waive application of the SRP or redeem the Rights (as defined in the SRP). In all such circumstances, the Board of Directors must act honestly and in good faith with a view to the best interests of the Corporation and its shareholders.

The SRP does not preclude any shareholder from utilizing the proxy mechanism under the Canada Business Corporations Act and securities laws to promote a change in the management or direction of the Corporation, or its Board of Directors, and has no effect on the rights of holders of outstanding

Common Shares to requisition a meeting of shareholders in accordance with the provisions of applicable corporate and securities legislation, or to enter into agreements with respect to voting their Common Shares. The definitions of "Acquiring Person" and "Beneficial Ownership" have been developed to minimize concerns that the SRP may be inadvertently triggered or triggered as a result of an overly-broad aggregation of holdings of institutional shareholders and their clients.

The SRP does not interfere with the day-to-day operations of the Corporation. The issuance of the Rights does not in any way alter the financial condition of the Corporation, impede its business plans or alter its financial statements.

In summary, the Board of Directors believes that the dominant effect of the SRP will be to maximize the Corporation's opportunity to enhance shareholder value and ensure equal treatment of all shareholders in the context of a bid for control of the Corporation.

Shareholder approval of the SRP is not required by law but is required by applicable stock exchange rules and must be approved by shareholders at every third annual meeting of shareholders.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve the 2020 Shareholder Rights Plan Resolution set out in Appendix E to this Circular (the "2020 Shareholder Rights Plan Resolution"). To be effective, the 2020 Shareholder Rights Plan Resolution must be approved by (i) a simple majority of the votes cast in favour of the 2020 Shareholder Rights Plan Resolution by all shareholders, whether in person or by proxy; and (ii) a simple majority of the votes cast in favour of the 2020 Shareholder Rights Plan Resolution by the Independent Shareholders (as defined in the SRP), whether in person or by proxy.

An "Independent Shareholder" is generally any shareholder other than an "Acquiring Person" (as defined in the SRP) and its associates and affiliates. As of the date of this Circular, the Corporation is not aware of any shareholder that would not be considered an Independent Shareholder, and therefore it is anticipated that all shareholders will be eligible to vote their Common Shares on the Rights Plan Resolution.

If the 2020 Shareholder Rights Plan Resolution is passed at the Meeting, then the SRP will continue in effect and will next require reconfirmation by shareholders at the 2026 annual meeting of shareholders. If the Rights Plan Resolution is not passed at the

Meeting, the SRP will expire and cease to have effect at the termination of the Meeting.

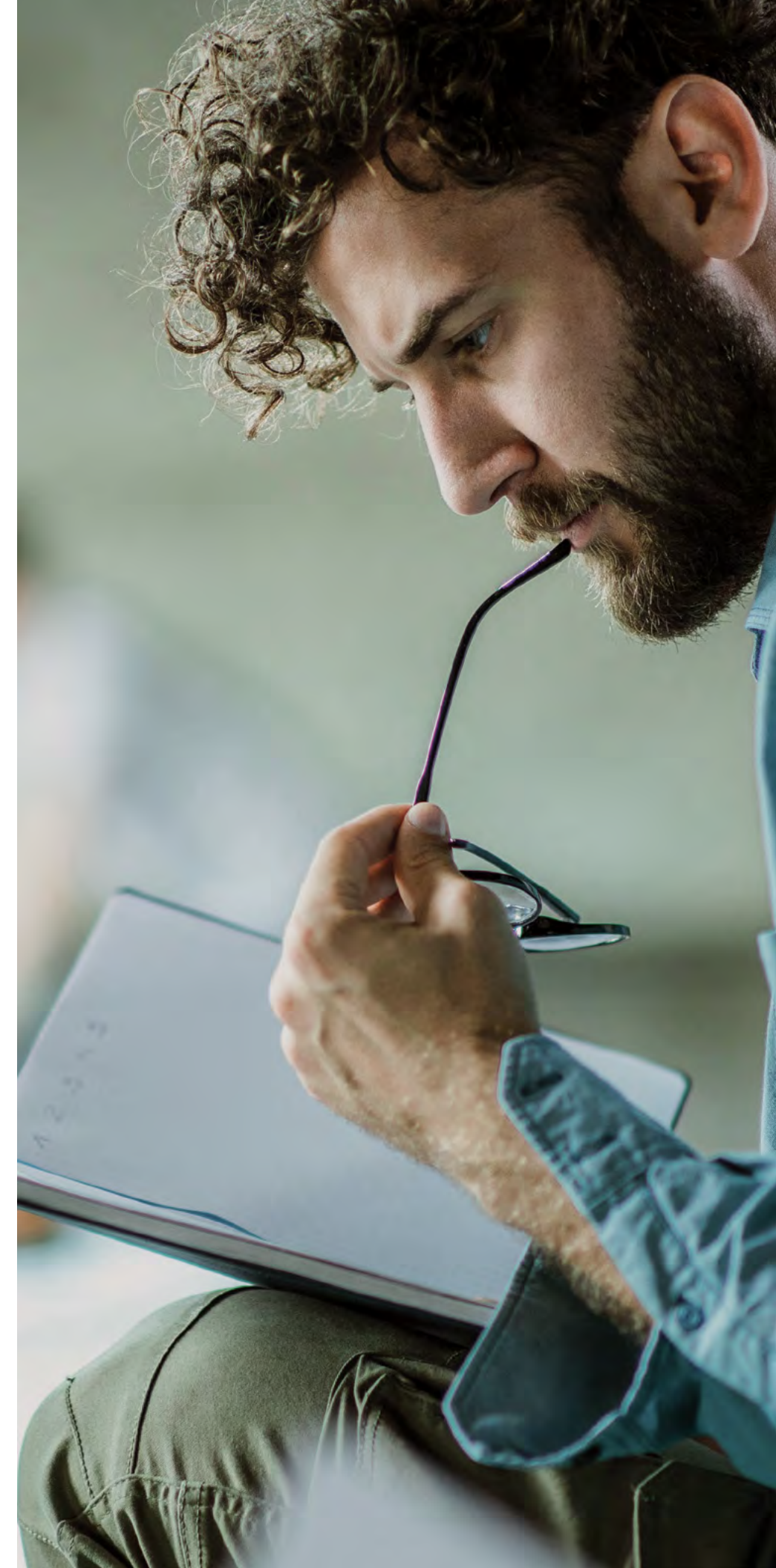
The Board of Directors has reviewed the SRP for conformity with current practices of Canadian issuers with respect to shareholder rights plan design. Based on its review, the Board of Directors has determined that it is advisable and in the best interests of the Corporation and its shareholders that the SRP remains in force and effect.

The board recommends to the shareholders that they approve the 2020 Shareholder Rights Plan Resolution.

The Corporation has been advised that the directors and senior officers of the Corporation intend to vote all Common Shares held by them in favour of the 2020 Shareholder Rights Plan Resolution. In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote for the 2020 Shareholder Rights Plan Resolution.

7 Other

Such further or other business as may properly come before the Meeting or any adjournment thereof.



NOMINATION AND ELECTION OF DIRECTORS

Majority Voting Policy

The board has adopted a majority voting policy in director elections that will apply at any meeting of Calian shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes against a director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the chair of the board promptly following the applicable shareholders' meeting. Following receipt of resignation, the Governance and Risk Committee will consider whether to accept the offer of resignation and make a recommendation to the board. Within 90 days following the applicable shareholders' meeting, the board shall publicly disclose in a news release their decision whether to accept the applicable director's resignation or not, including the reasons for rejecting the resignation, if applicable. The board shall accept the resignation absent exceptional circumstances. A director who tenders their resignation pursuant to this policy will not be permitted to participate in any meeting of the board or the Governance and Risk Committee at which the resignation is considered.

Management does not contemplate that any of the nominees listed will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for any nominee in their discretion unless the shareholder has specified in the Proxy that such shareholder's Common Shares are to be voted against the election of the initial nominee who is unable to serve as a director.

Election of Directors

The board is elected annually. Shareholders are asked to set the number of directors to be elected at the Meeting at eight. Each of the persons listed in the Director Nominee Profiles is proposed to be nominated as a director of the Corporation to serve until the next annual and special meeting or until such person's successor is elected or appointed, and each has agreed to serve as director if elected. Unless a shareholder directs that such shareholder's Common Shares are to be voted against the election of directors, the persons designated in the enclosed proxy will vote for the election of each proposed nominee listed in the tables below, all of whom are currently directors of the Corporation, with the exception of Lori O'Neill.

Calian has developed a skills matrix for the Board of Directors that it considers important for meeting the needs of the Corporation. Universal competencies that all board members should have include:

- **Personal Integrity:** High standards of ethical behaviour. No conflicts of interest preventing performing duties;
- **Financial Acumen:** A good understanding of finance and financial statements;
- **Availability:** A willingness to devote the time necessary for board responsibilities, including education;
- **Outstanding Achievement:** broad experience, professional and/or personal, including high-level decision making and problem solving;
- **Communication Skills:** Ability to work well with others and to ask pertinent, penetrating questions;
- **Alignment with Company's Core Values:** Understanding of and acts in accordance with Company's core values;
- **Loyalty/Discretion/Confidentiality:** Discretion and loyalty in dealing with all board matters; and
- **Judgement:** Results-oriented approach to problem solving, ability to make recommendations on complex matters

The board is constructed based on expertise, including our four segments, and taking into account the complementarity of members with each other and the skills matrix.

DIRECTOR NOMINEE PROFILES

GEORGE WEBER



- Age: 76
- Location: Ontario, Canada
- Director since: 2012
- Independent

Corporate Director

George Weber retired as President and Chief Executive Officer of The Royal Ottawa Health Care Group in 2018, a post he has held since 2007 after serving as a CEO of a number of national and international organizations over two decades. George currently (or formerly) chairs a number of board and audit committees.

George received his education and Master of Arts degrees from McGill University and completed the Advanced Management Program from the Graduate School of Business Administration, Harvard University. He is a member of the Institute of Corporate Directors and earned his ICD.D in 2008. He also obtained his audit committee designation from the Directors College in 2015.

Areas of Expertise:

- Accounting/financial management
- Asset allocation
- Large, complex and dispersed organization
- M&A
- Business leadership
- International business
- Strategic orientation
- Publicly traded company
- Governance
- Legal
- Regulatory
- Risk management
- Talent
- ESG

Segment Expertise

- Health
- Learning

2022 Meeting Attendance

Board of Directors	14/14	100%
Governance and Risk Committee	4/4	100%
HR & Compensation Committee	4/4	100%
Audit Committee	4/4	100%
Nominating Committee	6/6	100%

Member of Other Company Boards (*public board)

- Northoff Mental Health Diagnostics
- Kamino Dental Group
- International Red Cross and Red Crescent Movement

Calian Group Shareholdings (as at September 30, 2022)

Shares	4,404
DSUs	5,620
Total	10,024
Total market value ⁽²⁾	\$540,396
Share ownership as a multiple of annual retainer	3.45
Options ⁽¹⁾	-

⁽¹⁾ Options outstanding amount is calculated as the total units for value of unexercised in the money options. This is calculated by taking the total value of unexercised in the money divided by the Calian Group Ltd. share price at September 30, 2022.

⁽²⁾ Total market value is calculated as the total shares and DSUs held at September 30, 2022 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2022.

RAY BASLER



- Age: 65
- Location: Saskatchewan, Canada
- Director since: 2005
- Independent since: 2020⁽³⁾

Corporate Director

Ray Basler is a CPA, CA with many years of financial experience. Ray worked for Deloitte from 1979 to 1987, where his primary function was auditing. He joined SED Systems (now a subsidiary of Calian) in 1987. Starting as controller, he promptly assumed additional administrative responsibilities such as human resources, information technology, QA and project control. Ray also played a vital role in the subsequent acquisition of SED Systems by Calian Technologies in 1990.

After the Calian acquisition, he held a number of increasingly senior roles over his 28-year career with Calian, including CFO (during its initial public offering in 1993), President of SED, with full responsibility for all day-to-day operations in 1997, Chief Operating Officer, leading the company's entire operation in 2002 and, ultimately, CEO in 2005, which he held until retirement in 2015. Ray holds a Bachelor of Commerce (accounting) degree from the University of Saskatchewan.

Areas of Expertise:

- Accounting/financial management
- Asset allocation
- Large, complex and dispersed organization
- Small medium enterprise
- M&A
- Business leadership
- Strategic orientation
- Publicly traded company
- Governance
- Legal
- Regulatory
- Risk management
- Talent

Segment expertise

- Advanced Technologies
- ITCS
- Learning
- Health

⁽¹⁾Options outstanding amount is calculated as the total units for value of unexercised in the money options. This is calculated by taking the total value of unexercised in the money divided by the Calian Group Ltd. share price at September 30, 2022.

⁽²⁾Total market value is calculated as the total shares and DSUs held at September 30, 2022 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2022.

⁽³⁾During his tenure as Calian's CEO and for a period of 5 years thereafter, in accordance with applicable securities regulations, Mr. Basler served as a non-independent director. In 2020, Mr. Basler was elected by shareholders as an independent director. His service as an independent director is in compliance with Calian's term limits. Further information on term limits can be found on page 45.

2022 Meeting Attendance

Board of Directors	14/14	100%
Governance and Risk Committee	4/4	100%
HR & Compensation Committee	4/4	100%
Audit Committee	4/4	100%
Nominating Committee	6/6	100%

Member of Other Company Boards (*public board)

-

Calian Group Shareholdings (as at September 30, 2022)

Shares	25,975
DSUs	4,206
Total	30,181
Total market value ⁽²⁾	\$1,688,023
Share ownership as a multiple of annual retainer	17.26
Options ⁽¹⁾	4,096

- Age 63
- Location: Ontario, Canada
- Director since: 2016
- Independent

President and CEO, VON Canada

Jo-Anne Poirier joined VON Canada in 2014 as President and Chief Executive Officer. From 2008 until 2014, Jo-Anne was Chief Executive Officer of Ottawa Community Housing Corporation. Under her leadership, Ottawa Community Housing received several awards for excellence, including the 2011 Ottawa Chamber of Commerce Business Achievement Awards' Non-Profit Organization of the Year.

Jo-Anne is also actively involved in the community and sits on several boards of directors. She is a member of the Institute of Corporate Directors (ICD) and a holder of the ICD.D designation. Previous board roles include Chair of the Shaw Centre, Chair of the Change Foundation, Vice-Chair of Ottawa Public Health and Board member of TVO.

Areas of Expertise:

- Large, complex and dispersed organization
- Business development, sales & marketing
- Strategic orientation
- Publicly traded company
- Governance
- Regulatory
- Risk management
- Talent management
- ESG
- Health

Segment Expertise

⁽¹⁾Options outstanding amount is calculated as the total units for value of unexercised in the money options. This is calculated by taking the total value of unexercised in the money divided by the Calian Group Ltd. share price at September 30, 2022.

⁽²⁾Total market value is calculated as the total shares and DSUs held at September 30, 2022 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2022.

JO-ANNE POIRIER



2022 Meeting Attendance

Board of Directors	14/14	100%
Governance and Risk Committee	4/4	100%
HR & Compensation Committee	4/4	100%
Audit Committee	4/4	100%
Nominating Committee	6/6	100%

Member of Other Company Boards (*public board)

- Children's Hospital of Eastern Ontario (CHEO)
- Réseau des services de santé en français de l'Est de l'Ontario

Calian Group Shareholdings (as at September 30, 2022)

Shares	4,997
DSUs	3,828
Total	8,825
Total market value ⁽²⁾	\$493,582
Share ownership as a multiple of annual retainer	5.05
Options ⁽¹⁾	1,738

YOUNG PARK



- Age: 62
- Location: Ontario, Canada
- Director since: 2017
- Independent

Corporate Director

Young Park is a corporate board member and strategic advisor. She is also an accomplished C-level executive with a unique combination of business and technology transformations, corporate governance, and risk management experience. With more than 35 years of experience in FinTech, Insurance and Telecommunications, Young has provided governance, executive leadership and consulting services that resulted in revenue growth and operational efficiencies via go-to-market strategy, new products and services development, innovation, mergers & acquisitions, and P&L management.

Currently, Young is serving on four corporate boards. Also, she has been a long-time member of not-for-profit boards with focus on skilled immigrant employment, healthcare, and community well-being. Young has earned the ICD.D designation from the Institute of Corporate Directors. She also earned a bachelor's degree in mathematics (co-op computer science) from University of Waterloo and completed executive development programs at Queen's School of Business.

Areas of Expertise:

- Accounting/financial management
- Asset allocation
- Large, complex and dispersed organization
- Small medium enterprise
- M&A
- Business leadership
- International
- Business development, sales & marketing
- Strategic orientation
- Publicly traded company
- Governance
- Regulatory
- Risk management
- Talent
- ESG

Segment Expertise

- ITCS

⁽¹⁾Options outstanding amount is calculated as the total units for value of unexercised in the money options. This is calculated by taking the total value of unexercised in the money divided by the Calian Group Ltd. share price at September 30, 2022.

⁽²⁾Total market value is calculated as the total shares and DSUs held at September 30, 2022 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2022.

2022 Meeting Attendance

Board of Directors	14/14	100%
Governance and Risk Committee	4/4	100%
HR & Compensation Committee	4/4	100%
Audit Committee	4/4	100%

Member of Other Company Boards (*public board)

- 407ETR
- President's Choice Financial
- Fundserv Inc.
- Joseph Brant Hospital

Calian Group Shareholdings (as at September 30, 2022)

Shares	1,776
DSUs	1,608
Total	3,384
Total market value ⁽²⁾	\$189,267
Share ownership as a multiple of annual retainer	1.94
Options ⁽¹⁾	4,096

RONALD RICHARDSON



- Age: 39
- Location: Ontario, Canada
- Director since: 2021
- Independent

Corporate Director

Ronald Richardson is a corporate director and private investor, holding professional, governance and investment positions in the technology, energy, space and not-for-profit sectors. Ronald currently sits on several boards and is a trustee or observer for six other private or NFP organizations. Ronald co-founded Benbria Corporation, was founding investor of Brokrete Inc., is a member of the Capital Angel Network and advisor to L-Spark, SheBoot and Next36 program cohorts. Ronald is a licensed professional engineer (P.Eng.), a certified corporate director with the Institute of Corporate Directors (ICD.D) and an honours co-op graduate from the University of Waterloo (BSE, Bachelor of Software Engineering).

Areas of Expertise:

- Asset allocation
- Large, complex and dispersed organization
- Small medium enterprise
- Business leadership
- Business development, sales & marketing
- Strategic orientation
- Governance
- Publicly traded company
- Talent
- ESG

Segment Expertise

- Advanced Technologies
- ITCS

⁽¹⁾Options outstanding amount is calculated as the total units for value of unexercised in the money options. This is calculated by taking the total value of unexercised in the money divided by the Calian Group Ltd. share price at September 30, 2022.

⁽²⁾Total market value is calculated as the total shares and DSUs held at September 30, 2022 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2022.

2022 Meeting Attendance

Board of Directors	14/14	100%
Governance and Risk Committee	4/4	100%
HR & Compensation Committee	4/4	100%
Audit Committee	4/4	100%

Member of Other Company Boards (*public board)

- Tundra Oil & Gas Ltd
- Mission Control Space Services
- Brokrete Inc.
- Queensway Carleton Hospital Foundation

Calian Group Shareholdings (as at September 30, 2022)

Shares	5,058
DSUs	841
Total	5,899
Total market value ⁽²⁾	\$329,931
Share ownership as a multiple of annual retainer	3.37
Options ⁽¹⁾	-

VALERIE SORBIE



- Age: 59
- Location: Ontario, Canada
- Director since: 2022
- Independent

Partner and Managing Director, Gibraltar & Company

Valerie (Val) Sorbie is currently Board Chair and a member of the Office of the President at LXRandCo (TSX: LXR) and Managing Director at Gibraltar Ventures, a consumer- and retail-focused venture capital fund. Ms. Sorbie focuses on board, leadership and strategic advisory, bringing over 30 years of experience in strategy and operations. She is, or has been, a member of several boards, including: Harvard Kennedy School Woman's Leadership Board, Tilley, Steam Whistle Brewery, Bishop Strachan School (Chair), TKEES, Kahuso (Chair), and Black Business and Professionals Association.

Prior to her role at Gibraltar Ventures, Valerie was Chief Administrative Officer, BMO Capital Markets and Senior Vice President, Office of Strategic Management, BMO Financial Group. Prior to BMO, Valerie's experience includes chief operating officer of several software companies, both public and private, in the U.S., U.K.,

Canada and Israel, and she was also a strategy consultant at Kearney and Omega Strategy Partners (U.K.).

Valerie holds an MBA from the Ivey School of Business, Canada, a Premier Diploma from the University of Grenoble, France and an honours bachelor of arts from the University of Western Ontario, Canada, in anthropology and biology.

Areas of Expertise:

- Large, complex and dispersed organization
- Small medium enterprise
- M&A
- Business leadership
- International
- Strategic orientation
- Publicly traded company
- Talent
- ESG

Segment Expertise

- ITCS

⁽¹⁾Options outstanding amount is calculated as the total units for value of unexercised in the money options. This is calculated by taking the total value of unexercised in the money divided by the Calian Group Ltd. share price at September 30, 2022.

⁽²⁾Total market value is calculated as the total shares and DSUs held at September 30, 2022 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2022.

2022 Meeting Attendance

Board of Directors	13/13	100%
Governance and Risk Committee	3/3	100%
HR & Compensation Committee	3/3	100%
Audit Committee	3/3	100%

Ms. Sorbie was elected on February 11, 2022. The above represents her attendance at FY2022 meetings held post election.

Member of Other Company Boards (*public board)

- LXRandoCo*
- Neighbourly Pharmacy*

Calian Group Shareholdings (as at September 30, 2022)

Shares	-
DSUs	467
Total	467
Total market value ⁽²⁾	\$26,119
Share ownership as a multiple of annual retainer	0.38
Options ⁽¹⁾	-

KEVIN FORD



- Age: 58
- Location: Ontario, Canada
- Director since: 2015
- Non independent

CEO, Calian Group Ltd.

Kevin Ford was promoted to Chief Executive Officer of Calian in April 2015. Prior to becoming the CEO of Calian, Kevin served as the Calian Business and Technology Services Division President for more than four years. Kevin worked in professional services for more than 30 years, including 11 years at IBM as a Partner in Global Business Services.

He also contributes to numerous charitable organizations, sits on two Boards and has coached hockey and most recently led the charge to save a legacy live music venue in Ottawa.

As Chief Executive Officer of Calian, Kevin focuses on enabling the management team to execute the company's four-pillar growth framework of customer retention, diversification, innovation and continuous improvement. This unrelenting focus has taken the company to the next level, with revenues exceeding the half-billion-dollar mark in 2021. It's one milestone on the journey to becoming a billion-dollar, proudly Canadian company.

Named CEO of the Year by the Ottawa Chamber of Commerce and Ottawa Business Journal in 2017 and EY Entrepreneur of the Year in 2019, Kevin attributes his success to teamwork, integrity

and commitment. These values, combined with Kevin's enthusiasm for Calian technology and talent and his passion for diversity and inclusion, help him to future-proof the business.

Kevin is fully invested in the growth of the company, playing a key role in the 18 successful acquisitions Calian has made since 2012.

Areas of Expertise:

- Asset allocation
- Large, complex and dispersed organization
- M&A
- Business leadership
- Business development, sales & marketing
- Strategic orientation
- Publicly traded company
- Governance
- Risk management
- Talent

Segment Expertise

- Advanced Technologies
- ITCS
- Learning
- Health

⁽¹⁾Options outstanding amount is calculated as the total units for value of unexercised in the money options. This is calculated by taking the total value of unexercised in the money divided by the Calian Group Ltd. share price at September 30, 2022.

⁽²⁾Total market value is calculated as the total shares and DSUs held at September 30, 2022 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2022.

2022 Meeting Attendance

Board of Directors	14/14	100%
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As President and CEO, Mr. Ford is not a member of any board committees, but is invited to attend committee meetings.

Member of Other Company Boards (*public board)

- Ottawa Hospital Foundation
- Space Canada

Calian Group Shareholdings (as at September 30, 2022)

Shares	21,400
RSUs	16,529
Total	37,529
Total market value ⁽²⁾	\$2,121,369
Share ownership as a multiple of base salary	4.24
Options ⁽¹⁾	-

LORI O'NEILL



- Age: 57
- Location: Ontario, Canada
- Director since: N/A
- Independent

Corporate Director

Lori is a corporate director and independent financial consultant. She currently serves as a board member for two publicly traded technology companies and has served as a board member for several private companies, crown corporations and non-profits for over a decade. Lori actively advises growth companies with strategic transactions, complex financial matters, M&A, public offerings and due diligence.

She previously served over 24 years in leadership of one of the world's leading professional services firms, including various national partnership roles, with a focus on advising growth companies from start-ups to multinationals, supporting complex transactions, private and public equity offerings, mergers and acquisitions in Canada and the U.S.

Lori has a Bachelor of Commerce with Highest Honours from Carleton University, and is accredited as a FCPA,

FCA (Honor Roll) in Ontario, a CPA in the US, and has the ICD.D designation.

Areas of Expertise:

- Financial expertise
- Complex transactions
- Public companies
- Growth companies

Segment Expertise

- ITCS
- Advanced Technologies
- Software industry

⁽¹⁾Options outstanding amount is calculated as the total units for value of unexercised in the money options. This is calculated by taking the total value of unexercised in the money divided by the Calian Group Ltd. share price at September 30, 2022.

⁽²⁾Total market value is calculated as the total shares and DSUs held at September 30, 2022 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2022.

2022 Meeting Attendance

Board of Directors	N/A
Governance Committee	N/A
HR & Compensation Committee	N/A
Audit Committee	N/A

Member of Other Company Boards (*public board)

- Constellation Software*
- Sierra Wireless*
- University of Ottawa Heart Institute

Calian Group Shareholdings (as at September 30, 2022)

Shares	N/A
DSUs	N/A
Total	N/A
Total market value ⁽²⁾	N/A
Share ownership as a % of annual retainer	N/A
Options ⁽¹⁾	N/A

ADDITIONAL NOMINEE INFORMATION

The nominees have held the principal occupations described in their profiles or other management functions within their respective organizations for at least the last five years except for:

- George Weber, who was President and Chief Executive Officer of Royal Ottawa Health Care Group until August 2018.
- Ronald Richardson, who was Vice President Product Strategy for Benbria Corporation from May 2018 to May 2020, and Vice President Product Management for Benbria Corporation from October 2015 to May 2018.

Other than as described below:

- a) no proposed director of the Corporation is, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- b) no proposed director of the Corporation is, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was

acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- c) no proposed director is, or has been within 10 years before the date of this Circular, 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 the assets of the proposed director; and

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

Jo-Anne Poirier is the President and CEO of VON Canada Group, which includes Victorian Order of Nurses for Canada ("VON Canada"), Victorian Order of Nurses for Canada, Eastern Region ("VON East") and Victorian Order of Nurses for

Canada- Western Region ("VON West"). The Ontario Superior Court of Justice granted an initial order under the Companies' Creditors Arrangement Act (Canada) ("CCAA") on November 25, 2015, staying all claims and actions against VON Canada, VON East and VON West and its assets, and allowing these entities to prepare a plan of compromise or arrangement for its creditors. The plans of arrangement for these three legal entities received a favourable vote from the creditors and Ontario Superior Court of Justice granted these three legal entities a Sanction Order for their respective plans of arrangement and compromise on November 23, 2016. In January 2017, the VON Canada, East and West emerged from CCAA protection. VON Ontario and Nova Scotia continue to operate as well and were not part of the CCAA process.

Lori O'Neill was a director of DragonWave Inc. from June 13, 2013 to July 31, 2017. Following Ms. O'Neill's resignation on July 31, 2017, the Ontario Superior Court of Justice appointed a receiver over the business and assets of DragonWave Inc., following an application of Comerica Bank as Agent for DragonWave Inc.'s senior lenders, pursuant to the Bankruptcy and Insolvency Act (Canada). On July 20, 2017, the shares of DragonWave Inc. were halted from trading on the TSX by the Investment Industry Regulatory Organization of Canada. The shares of DragonWave Inc. were delisted from the TSX and the NASDAQ on August 30, 2017 and August 2, 2017, respectively.

CALIAN CORPORATE GOVERNANCE

About the Board

The Board of Directors has the overall responsibility for the stewardship of Calian. The board delegates to management some of its authority and certain responsibilities to manage the business. The delegation of authority conforms to statutory limitations and certain responsibilities cannot be delegated to management and remain with the board.

The Calian Board of Directors has a chair, a Corporate Governance and Risk Committee, a Nominating Committee, a Human Resources and Compensation Committee and an Audit Committee. Further information on our board committees is available on page 34. Our Board of Directors and Committee Mandates are set out in Appendix A to this Circular.

The board's primary objective is to ensure that management is thinking and acting in a manner that reflects Calian core objectives of:

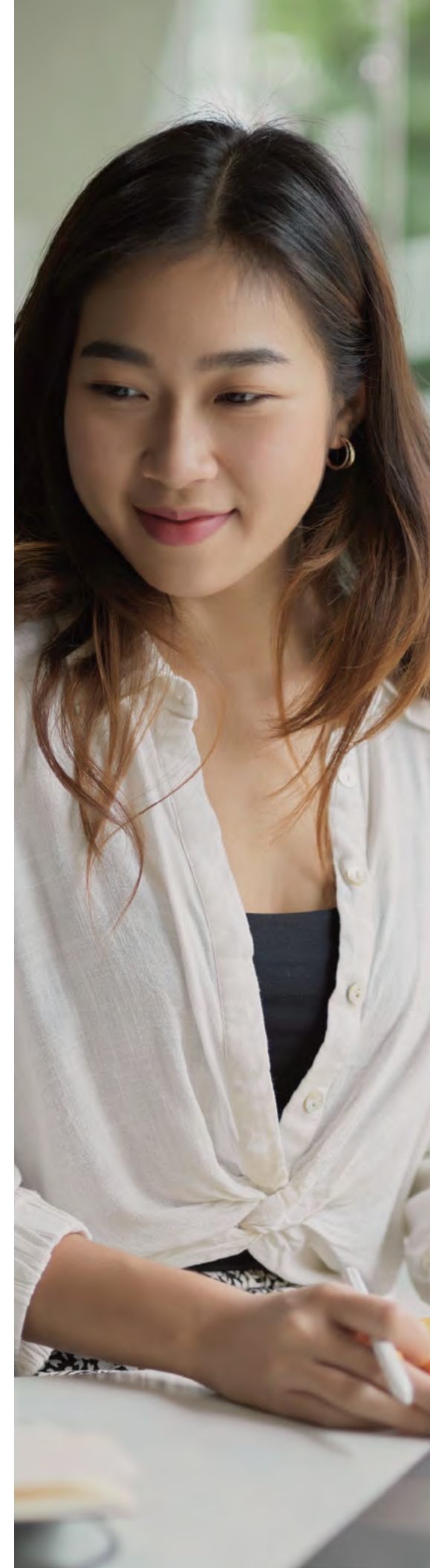
- a. Creating and protecting value
- b. Thinking long-term
- c. Being honest, transparent and prudent in all business activities

Board Independence

The board shall comprise eight directors, the majority of whom must be independent directors.

All of Calian current board members and nominees, including the board chair, are independent directors, with the exception of Kevin Ford, who is the President and Chief Executive Officer. Valerie Sorbie is the only board member, and Lori O'Neill is the only nominee, who are also directors of other reporting issuers (Neighbourly Pharmacy [NBLY] and LXR and Co. [LXR], as well as Constellation Software [CSU] and Sierra Wireless [SW], respectively).

At each of its quarterly meetings, the board conducts two in-camera sessions with independent directors. During fiscal 2022, independent board members met eight times without management present.



BOARD COMMITTEES

The board has four standing committees responsible for supporting the board's stewardship of Calian.

Each committee's charter is available at www.calian.com and in Appendix A to this Circular.

Audit Committee

The Audit Committee comprises the following independent directors:

Ray Basler, CPA, CA (chair)

George Weber, ICD.D

Jo-Anne Poirier, ICD.D

Young Park, ICD.D

Ronald Richardson, P.Eng., ICD.D

Valerie Sorbie

The Audit Committee met four times in FY2022.

All six members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. Each member is financially literate within the meaning of National Instrument 52-110—Audit Committees, meaning each member is able to read and understand financial statements that are similar in complexity to those of Calian.

The Audit Committee's mandate includes reviewing Calian financial statements to ensure they are accurate, complete, represent the Corporation's financial position and performance, and are in accordance with GAAP. The Audit Committee is also responsible for reviewing and monitoring internal control procedures, programs and policies over the accounting and financial reporting systems, reviewing the performance of the external auditors and recommending the nomination and remuneration of the external auditors to the board, monitoring risk management procedures regarding accounting or audit matters and managing financial risk, and reviewing reports regarding compliance with laws and regulations having a material impact on financial statements.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee comprises the following independent directors:

Jo-Anne Poirier, ICD.D (chair)

George Weber, ICD.D

Ray Basler, CPA, CA

Young Park, ICD.D

Ronald Richardson, P.Eng., ICD.D

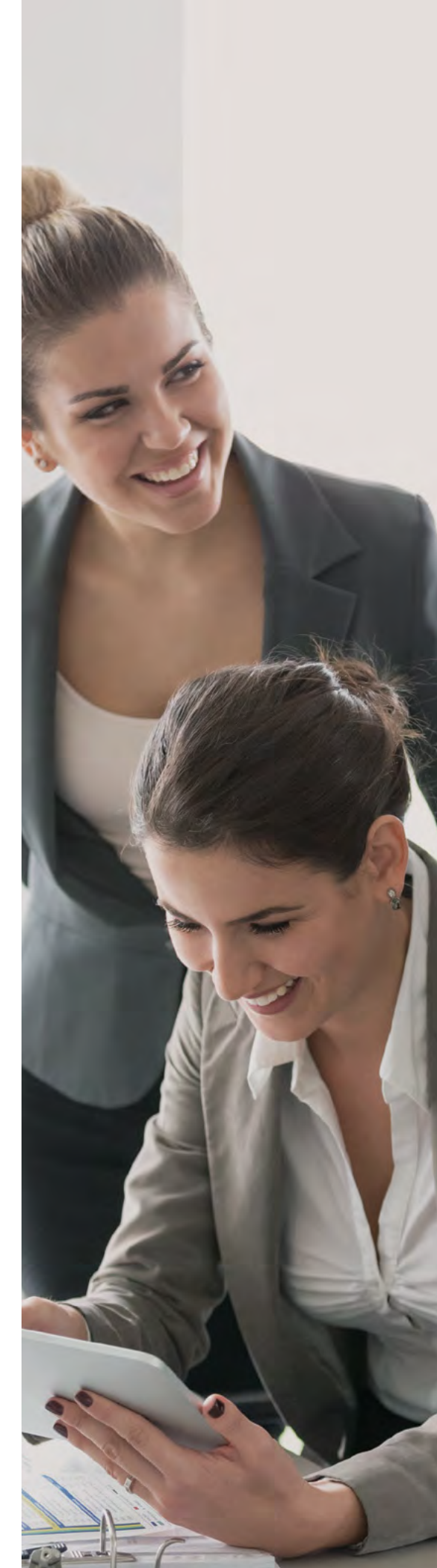
Valerie Sorbie

The Human Resources and Compensation Committee met four times in FY2022.

All members of the committee have expertise in, among other areas, business management and finance. All are current or former principal executive officers.

The HR & Compensation Committee provides guidance and oversight on human resources issues affecting Calian, and evaluates and provides recommendations regarding performance objectives, assessments, compensation and succession planning for the chief executive officer, senior executives and, as appropriate, directors of the board.

The committee's mandate includes establishing general compensation philosophy and framework for Calian, overseeing the development and implementation of compensation programs and policies, reviewing the goals and objectives of the chief executive officer at the beginning of each year and providing an appraisal of the chief executive officer's performance for the most recently completed year; and reviewing and approving compensation programs applicable to Calian senior executives, and developing and implementing succession plans for senior executives.



Governance and Risk Committee

The Governance and Risk Committee comprises the following independent directors:

Young Park, ICD.D (chair)

George Weber, ICD.D

Ray Basler, CPA, CA

Jo-Anne Poirier, ICD.D

Ronald Richardson, P.Eng., ICD.D

Valerie Sorbie

The Governance and Risk Committee met four times in FY2022.

All members of the Committee bring corporate governance and risk management experience from prior roles as senior business executives and serving on other boards.

The Governance and Risk Committee assists the Board with oversight of planning, execution and behaviour, the responsible use of resources, sound principle-based decision-making, and Calian corporate governance practices and policies.

The committee's mandate includes overseeing the ESG strategy, monitoring and ensuring compliance with legal requirements and best practices relating to corporate governance, reviewing the Calian governance, risk and compliance framework and related standards, understanding and approving the level of risk inherent in strategy and business models, and understanding and approving the type and amount of risk Calian should accept in pursuit of corporate goals and objectives.

Nominating Committee

The Nominating Committee comprises the following independent directors:

George Weber, ICD.D (chair)

Ray Basler, CPA, CA

Jo-Anne Poirier, ICD.D

The Nominating Committee met six times in FY2022.

The Nominating Committee is responsible for identifying qualified individuals to join the Board, when required, and for recommending nominees to the Board for each annual and special meeting of the Calian shareholders.

The committee's mandate includes reviewing the size and composition of the board to ensure that it has the appropriate mix of competencies and skills to facilitate effective decision-making as well as the capacity to effectively discharge its responsibilities, reviewing directors' retirement plans, developing succession plans to keep the board appropriately balanced in terms of skills and experience, and recommending the addition or replacement of one or more directors as may be appropriate.

The committee reviews current board members' skills and experience and identifies any gaps or areas where further expertise may be required. The committee may use the services of an outside independent consultant to assist with searching for and selecting potential candidates who match the skills profile developed by the committee. The committee reviews the candidates' CVs, skills and past experiences, interviews candidates, verifies references, and recommends candidates to the board to be nominated prior to the shareholder vote.

Board and Committee Meetings

For the 12-month period ended September 30, 2022, the board met 14 times, the Audit Committee met four times, the Human Resources & Compensation Committee met four times, the Governance and Risk Committee met four times, and the Nominating committee met six times. Compensation and governance issues are also discussed during the quarterly board meetings with all the board members present. All directors were present at all board and committee meetings either by phone or in person.

Position Descriptions

As part of the board's mandate, the board has developed a position description for the chair of the board. The board has not developed position descriptions for the committee chairs, however, the board has developed a mandate for each committee and, as such, the chair of each committee is responsible to ensure that such mandates are followed.

The board has developed a position description for the chief executive officer. In addition, the board annually approves the strategic and operational plans, business objectives and key results for which the chief executive officer is responsible.

Director Assessments

The board chair has the ongoing responsibility of assessing the effectiveness of the board as a whole, the board committees, and the contribution of individual directors.

Directors complete our Board Effectiveness Questionnaire annually on an anonymous basis. The chair then interviews each director to discuss overall and individual board contributions and effectiveness.

The questionnaire is administered through the Governance Committee, with the support of external legal counsel.



Orientation and Continuing Education

The board has a formal process of orienting new members, overseen by the chair, which includes individual meetings with all board and corporate management members in addition to visiting specific operational locations.

The board has engaged in continuing education for relevant and timely topics to reflect advancements in governance. As part of the education program, the Governance Committee has participated in several sessions relating to advancements in ESG, oversight of climate change, human resource management in concert with compensation practices, board oversight of technology and long-range strategic planning. As well, the Corporation's corporate secretary provides regular updates to the board on new developments in corporate governance. Information on seminars and conferences is also passed along to directors, and several directors attend these sessions and report back to the board. Cost of attendance to seminars and conferences are paid by the Corporation.

Ethical Business Conduct

The board has adopted a written Guide to Ethical Business Practices (the "Guide"). The board believes the Guide is sufficient to encourage and promote a culture of ethical business conduct. In particular:

- (i) The Guide is available on the Corporation's website and explains the mechanisms in place to report departures from the Guide.
- (ii) The Guide provides for a reporting mechanism to the board. In addition, all Calian employees who do not work directly at a customer's premises must certify annually that they have read, understand and agree to comply with the Guide.
- (iii) There has been no material change report filed that pertains to any conduct of a director or an executive officer that constitutes a departure from the Guide.

In addition to the Guide, the board has also adopted a policy on related party transactions which does not allow for any transactions to occur between the Corporation and a third party who has direct or indirect ties with the directors, officers or employees of the Corporation.



In 2021, Calian embarked on an initiative to formalize our environmental, social and governance (ESG) strategy. While Calian has always had a strong commitment to social responsibility, we recognized the need to look beyond corporate giving and community engagement to develop a more fulsome strategy related to our socioeconomic and environmental commitments as well as to prepare for future regulation and disclosure requirements.

Defining our ESG Journey

Our inaugural ESG report describes our journey, as we work towards embedding ESG best practices in our business. In 2022, we focused on internal discovery and conducted our initial scope 1, 2 and 3 emissions inventory. We developed an ESG strategic framework to help establish key priorities, set targets and drive value for our stakeholders.

[Download ESG report](#)

Key milestones

(Calian fiscal year Oct 1 to Sept 30th)



Developing our ESG Vision

Calian CARES™—Collaboration to Advance Resilience Excellence and Sustainability, builds on our mission, values, historical commitment to social responsibility and key competencies. It provides a framework and focus for our activities and corporate communications related to ESG.

- **Collaboration:** Working hard and working together for a common purpose or benefit
- **Advance:** Moving the world forward in a purposeful, innovative way
- **Resilience:** The ability to adapt in the face of adversity by solving complex problems that stand in the way of better health, communications, learning and security
- **Excellence:** A quality, which is unusually good, surpassing ordinary standards
- **Sustainability:** Meeting Calian needs without compromising the ability of future generations to meet their needs by protecting social, economic and natural resources

Determining our ESG Approach

As Calian continues to grow, we recognize a strategic approach to ESG is paramount to our success, and to meeting stakeholder expectations. Over the past 18 months, we performed internal discovery, to understand our ESG strengths, challenges and business opportunities in this space.

In looking at best practices, the United Nations Sustainable Development Goals (SDGs) provide a blueprint to achieving a more sustainable future for all. Calian has aligned our ESG efforts to the following SDGs:

GOAL 3

Good health & well-being
 Ensure healthy lives and promote well-being for all at all ages

GOAL 4

Quality education
 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

GOAL 5

Gender equality
 Achieve gender equality and empower all women and girls

GOAL 8

Decent work & economic growth
 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

GOAL 9

Industry, innovation & infrastructure
 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

GOAL 11

Sustainable cities & communities
 Make cities and human settlements inclusive, safe, resilient and sustainable

GOAL 12

Responsible consumption & production
 Ensure sustainable consumption and production patterns

GOAL 13

Climate action
 Take urgent action to combat climate change and its impacts

Diversity and Inclusion

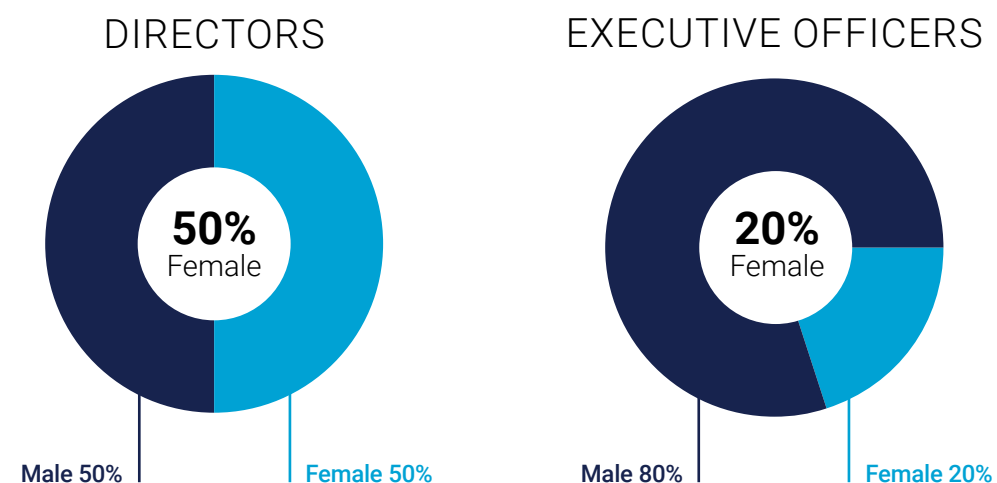
On August 5, 2015, the board adopted a Board Diversity and Term Limits Policy, relating in part to the promotion of diversity and ensuring that its recruitment process will consider all individuals from diverse backgrounds, regardless of gender, age, ethnicity, Indigenous heritage, geography, sexual orientation, political affiliation and disability. The policy is reviewed and approved by the board annually.

Under the policy, the Governance and Nominating Committees shall consider diversity of the board, including the level of female representation. The Governance and Nominating Committees will, however, consider candidates on merit against objective criteria. Diversity is considered within the context of the Company's needs and objectives, its diverse customer base and its domestic and international operations. The board does not set specific gender representation targets when identifying potential candidates for the Board of Directors.

Similarly, in identifying and considering potential candidates for executive appointments, Calian seeks the most qualified persons, regardless of gender or other characteristics unrelated to expertise and performance. Therefore, Calian looks first to individuals within Calian and its subsidiaries and considers diversity but, more importantly, factors such as years of service, regional background, merit, experience and qualification. Calian values diversity and is an equal opportunity employer. Calian welcomes applications from women, visible minorities, Indigenous Peoples, persons with disabilities, persons of diverse sexual orientation, gender identity or expression and others who may contribute to the organization's diversity.

The board does not set specific gender or designated group representation targets when identifying potential candidates for the board or executive officer positions. Calian believes that diversity is appropriately considered as part of its hiring and nomination process and that a numerical target would not afford Calian the flexibility to select the best possible candidates based on a range of factors.

Women in the Calian Leadership Team



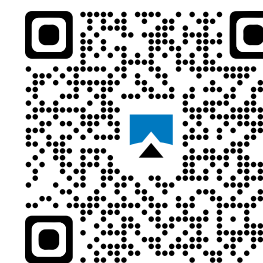
To the Company's knowledge, Calian currently has no directors and one member of senior management who are of Indigenous heritage.



To the Company's knowledge, Calian currently has no directors or members of senior management who are persons with disabilities.



To the Company's knowledge, Calian currently has one director who is a visible minority, representing 17% of the board. To the knowledge of the Corporation, the Corporation currently has one member of senior management who is a visible minority, representing 10% of the senior management team.

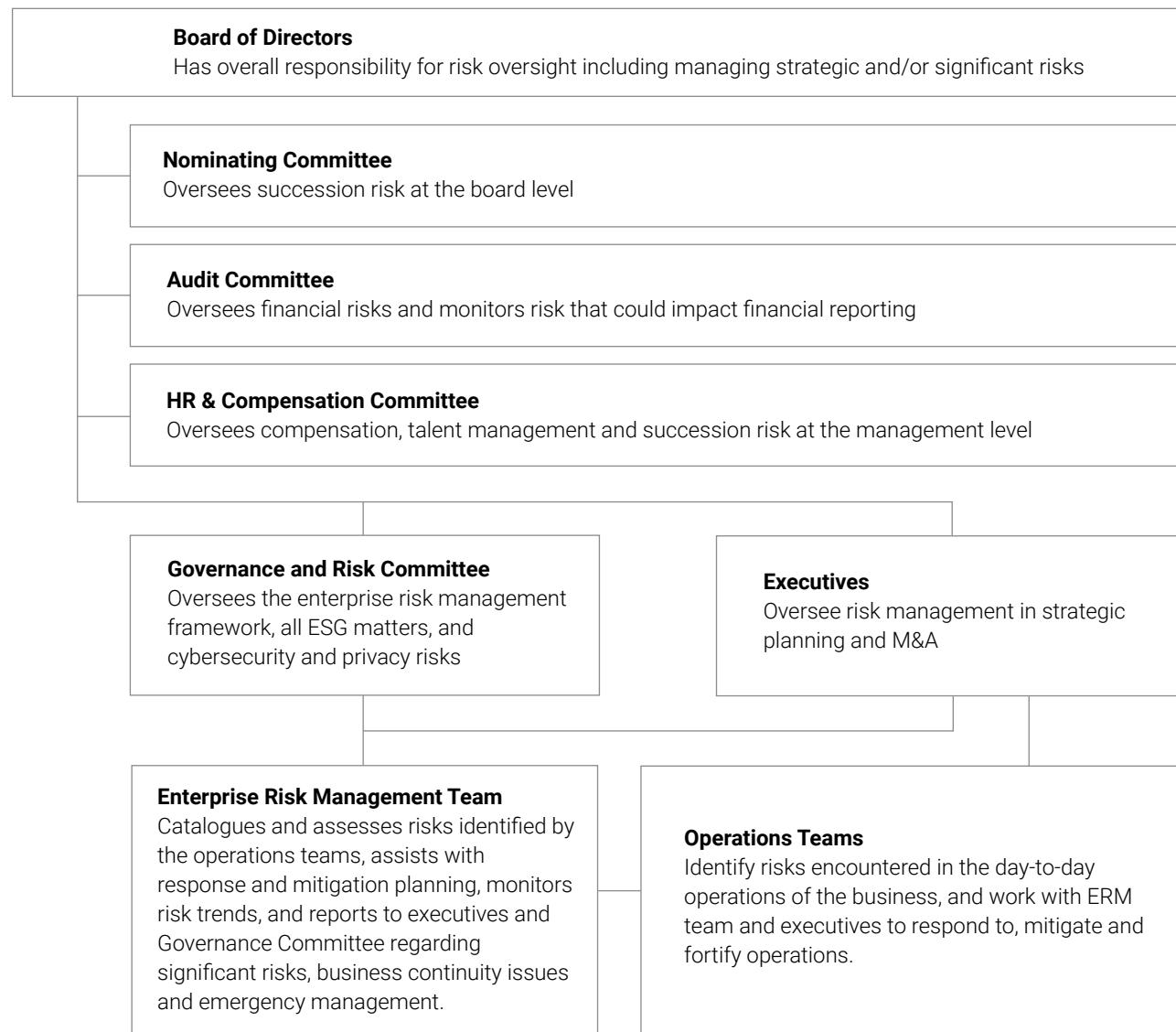


For further information on diversity, equity and inclusion at Calian, please refer to our Sustainability Report located on our website at www.calian.com and here (QR code).



Risk Oversight

Calian monitors and assesses risk at multiple levels throughout the company, beginning with our operations teams and extending up to the board. We recognize that no single employee or group is solely responsible for managing risk, but rather that risk management is a shared organizational culture that must permeate throughout our operations.



Further information regarding the Calian risk profile is available in our Annual Information Form and our Management's Discussion and Analysis, both available at www.calian.com and on SEDAR at www.sedar.com.

CEO and Board Succession

The board is responsible for overseeing, planning, and executing director and executive succession planning.

The board approves the appointment of the chief executive officer and would approve the appointment of an interim CEO if an unexpected event were to occur. The board, together with the HR and Compensation Committee, regularly review the succession plans for key leadership roles throughout Calian, in order to ensure that business shall continue to operate with minimal disruption in the event of a departure of key staff. The chief human resources officer, together with other members of management, support the board and committees in identifying and assessing suitable candidates to assume leadership roles throughout Calian.

Succession planning for directors is overseen by both the Governance & Risk and Nominating Committees. Together, they are responsible for assessing leadership needs at the board level by monitoring director skills and continuing professional development, monitoring term limits and pending director departures, and identifying and sourcing candidates to join the board when required.

When assessing succession planning, the board and its committees considers, among other things, the Company's short- and long-term needs, continuity of leadership, and necessary skills and experience.

The board reviews succession planning at a minimum of twice annually, with additional reviews conducted as required.

Term Limits

Calian has adopted term limits of 12 years for the role of independent directors with a few exceptions for extenuating circumstances. Calian believes that a balance is important that includes sound knowledge of the organization with the onboarding of new board members to bring on complementary expertise. **All Calian directors are currently within the term limits.**

The Governance Committee also reviews the size and composition of the board annually, and mechanisms to promote an appropriate level of board renewal, as well as the results of the annual assessment process.





EXECUTIVE COMPENSATION

Engagement and Communications

The board is committed to proactively engaging with shareholders if Calian receives below average results on a voting item at our shareholder meetings, and as significant business developments dictate. The board receives quarterly investor relations updates from investor relations and management, as well as ad hoc updates for items of interest.

Our CEO and CFO regularly conduct one-on-one meetings and calls with shareholders and investment conferences conducted by various investment banks. They also host quarterly conference calls for all members of the investing public to communicate our quarterly results.

Calian holds an annual investor day which includes presentations from our various segments, as well as customers and partners.

Calian also communicates through news releases, disclosure documents including our Management Information Circular, Annual Information Form, Financial Statements and MD&A, and our website which includes a dedicated investor relations section.

Compensation Governance

The Human Resource and Compensation Committee assists the board in fulfilling its oversight of human resources and compensation policies and processes and receives support from the chief human resources officer as necessary. The committee is primarily responsible for making recommendations to the board about:

- Compensation policies and guidelines
- Management incentive and perquisite plans and any non-standard remuneration plans
- Compensation comparator group
- Performance assessments for the CEO and other named executives
- Executive compensation, including the bonus pools and incentive awards for the CEO and other named executives
- Board compensation matters

Managing Compensation Risk

Risk management begins with an active board and management team engaged in analyzing the many risks the Corporation faces and working with the Corporation's leaders to manage those risks. Compensation programs can help mitigate risk-taking, but risks cannot be solely managed through these incentive plans. In connection with the adoption of the annual objectives for 2022, the HR & Compensation Committee considered the extent to which the incentive plans could potentially incentivize unnecessary or inappropriate risk-taking or short-term decision making. The Corporation's compensation philosophy addresses both short- and long-term performance.

Governance	Design	Decision-Making
<p>Share ownership Directors and executives must own Calian equity. New in 2021 was the introduction of share ownership guidelines for directors and executives (see page 50).</p>	<p>Fair and competitive Our compensation philosophy aims to pay executives a fair and competitive compensation and reward performance.</p>	<p>Clear and aligned objectives The committee takes considerable time aligning the objectives used in compensation with the company's wider strategy to incent the proper behaviour</p>
<p>Third party advice The committee uses external compensation consultants to provide valuable market data and analysis used in the design of the compensation structure.</p>	<p>Balanced approach Our compensation philosophy contains a mix of both fixed and variable at-risk pay.</p>	<p>Discretion The committee and the board can use their discretion to adjust awards so that they take into account any qualitative criteria or unexpected circumstances</p>
<p>Trading guidelines We follow strict insider trading rules, which prohibit the purchase, sale or hedge of Calian securities when material information has not been disseminated to the broader market</p>	<p>Incentive plan design Plans are designed carefully to reward behaviours that result in value for the broader company without incenting excessive risk taking or behaviour contrary to the Company's broader strategy.</p>	
	<p>Minimum thresholds A minimum level of performance must be achieved in order to be eligible for an incentive payment.</p>	
	<p>Capped bonuses In-year short term incentive is capped to discourage excessive risk-taking.</p>	

Short-term compensation is only paid to executives after the audited annual results are approved by the board. In addition, overall compensation risks are further mitigated through the business planning process as annual and strategic plans are reviewed in detail by the board with a focus on creating long-term value.

The HR & Compensation Committee considers that the processes in place, including mitigating factors, are effective and based on its review, does not believe that the compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Corporation.

Independent Advice

The HR & Compensation Committee engages an external compensation consultant generally every two or three years to assist with a review and analysis of executive and director compensation.

Mercer provides market data and analysis to the committee. The scope of the engagement includes discussion with the committee about the company's performance and objectives, establishing a representative group from which to construct benchmarks, understanding of the roles of each individual, which are benchmarked, and discussion of industry best practices. The Company has paid the following compensation consulting fees:

Fiscal Year	Consulting fees paid
2016	\$15,000
2017	\$39,500
2018	Nil
2019	\$72,000
2020	Nil
2021	\$56,500
2022	Nil

2021 Comparator Group

The comparator group is developed by considering many attributes which would make the data meaningful when considering the compensation structure for Calian. The specific attributes include: physical location, similar products or services, market verticals, market capitalization, revenues, organic growth rates, mergers and acquisitions. The following companies were included in the group:

Magellan Aerospace Corp.	Baylin Technologies Inc.
Sierra Wireless Inc.	CRH Medical Corporation
Sienna Senior Living Inc.	Lightspeed POS Inc.
Heroux-Devtek Inc.	DATA Communications Management Corp.
IBI Group Inc.	Alythia Group Inc.
EXFO Inc.	Descartes Systems Group Inc.
Chartwell Retirement Residences	Medical Facilities Corporation
Kinaxis Inc.	Enghouse Systems Limited
Evertz Technologies Ltd.	CareRx Corp.
Converge Technology Solutions Corp	

We use the same comparator group for directors and executive benchmarking. The comparator is updated regularly to ensure the data is a meaningful input to the committee's decision-making progress. Seven companies were removed from the 2021 comparator group (Morneau Shepell Inc., Centric health Corp., Vecima Networks Inc., Mediagrif Interactive Technologies Inc., Caldwell Partners Inc., People Corp. and K-Bro Linen) to align more closely with the selection criteria listed above.

Share Ownership

As part of its compensation review, in 2021 fiscal year, the Board of Directors adopted, for the first time, Executive Stock Ownership Guidelines (the "Guidelines"). The Guidelines serve to align the interests of NEOs and Board members with those of the Company's shareholders. Pursuant to the Guidelines, each NEO and director is expected to accumulate either the following fixed or the following variable number of shares (which includes full shares, restricted share units and deferred share units, but does not include stock options) within five years, starting 2021 fiscal year for executives and three years for directors.

Executive Level Fixed Number of Shares

Compensation Design

NEO	Units	Value	Target	% of target	Multiple of base pay
Kevin Ford	37,929	\$ 2,121,369	35,000	108%	4.2
Patrick Houston	8,355	\$ 467,295	6,500	129%	1.6
Patrick Thera	10,101	\$ 564,949	5,000	202%	1.8
Jerry Johnston	11,550	\$ 645,992	5,000	231%	2.7
Sacha Gera	1,718	\$ 96,088	5,000	34%	0.3

Note price calculated for value and target is \$55.93, or the close price at Sept 30, 2022

Executive Stock ownership Guidelines

Executive Level	Fixed Number of Shares	Variable Number of Shares
Chief Executive Officer	35,000	3x salary
Chief Financial Officer	6,500	1x salary
Executive Officer	5,000	1x salary
President (Segment)	5,000	1x salary
Non-Executive Board Members	Fixed Number of Shares	Variable Number of Share
Chair	8,500	3x retainer
Board Members	5,000	3x retainer

Our compensation program includes fixed and variable pay, and the majority of executive pay is variable (at-risk) to align the interests of our executives and shareholders.

1- Fixed compensation

Base Salary

Designed to provide a base level of compensation that is consistent. Salary levels are based on benchmarked data, individual contribution and relevant experience.

2 - Variable compensation (at-risk)

Short-Term Incentive

Leadership bonus includes meeting or exceeding the EBITDA target as well as individual performance in the fiscal year.

Long-term equity incentive

Intended to align the interests of our executives with those of our shareholders and to provide retention. Use of the RSU, PSU and stock options that vest in the future.

3 - Other compensation

Benefits

Group insurance

Benefits cover health, disability, life and accident insurance.

Employee share purchase plan

Employees, including named executives, can contribute up to 10% of their pay to purchase shares via payroll deductions. The company matches 25% of their contribution.

RRSP Matching

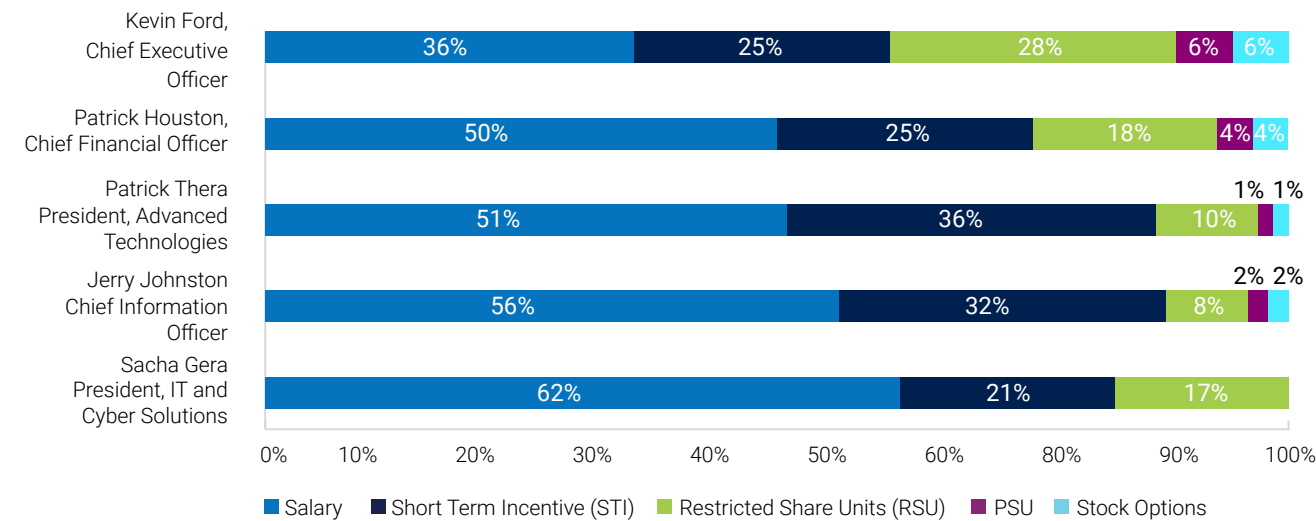
Some of our executive officers and employees receive a contribution of 5% of the employee's base salary.

Vehicle

Some of our executive officers and employees receive compensation towards the cost of their personal vehicle used for Company business.

Target Compensation Mix

A significant portion of executives pay is variable and at-risk, or is deferred into future years. New in 2022 were the additions of PSU's into the long-term incentive structure.



2022 Compensation Decisions

Base Salary

Salaries for executives are based on the scope of their responsibilities and relevant experience, taking into account compensation paid for similar positions by other companies in the industry and the overall market demand for the executives at the time of hire. Salaries are reviewed annually and any changes are effected in November. Any increases are based on the executive's success in meeting or exceeding individual objectives and market competitiveness.

	2022	2021	Change %
Kevin Ford	500,000	480,000	4%
Patrick Houston	300,000	275,000	9%
Patrick Thera	310,000	306,000	1%
Jerry Johnston	238,000	233,000	2%
Sacha Gera	290,000	N/A	N/A

Short-Term Incentive

Our short-term incentive plan is designed to reward our executive officers for performance in the fiscal year against targets established by the Compensation Committee and the Board of Directors.

Our plan uses EBITDA achievement against plan as the primary indicator. This aligns with the company's profitable growth agenda. For the 2022 fiscal year, on target performance was \$60.3M of consolidated EBITDA. This represents a growth of 16.2% over the 2021 fiscal year.

For executives who operate across our four segments, their primary target is the achievement of corporate EBITDA with a secondary personal key objective target. For executives who lead one of our operating segments, their primary target is EBITDA performance of their segment, with secondary targets for corporate EBITDA and individual key objectives.

The HR and Compensation Committee reviews the incentive plan measures, targets and weightings as part of its review process and recommends the targets to the board. The board approves the targets based on our internal targets and the Committee's recommendations.

When performance exceeds targets by 25% or more, short term incentive payments are capped at 150% of base incentive.

		Short Term Incentive	Award as % of base compensation	Weighting			
				Corporate	Individual segment	Achievement of key objectives	Total weight
Kevin Ford	Target 2022 Payment	350,000	70%	90%	0%	10%	100%
Patrick Houston	Target 2022 Payment	150,000	50%	90%	0%	10%	100%
Patrick Thera	Target 2022 Payment	220,000	71%	25%	65%	10%	100%
Jerry Johnston	Target 2022 Payment	137,000	58%	90%	0%	10%	100%
Sacha Gera	Target 2022 Payment	100,000	34%	30%	70%	0%	100%

2022 Performance

The table below shows the performance of the company against the EBITDA targets established by the Compensation Committee.

	EBITDA target	Growth over previous year	2022 EBITDA performance	% Achievement
Corporate	60,345	16.2%	65,932	109%
Advanced Technologies	25,078	-15%	20,657	82%
Health	27,438	10%	28,334	103%
Learning	16,239	58%	16,883	104%
ITCS	19,941	142%	29,521	148%

2022 Long-Term Incentive

Our long-term incentive plan is a key competitive differentiator and supports retention, motivation and rewarding executives for their contribution towards the long-term success of the Company. In recent years, Calian has increased its issuance of equity as part of executive compensation plans.

The amount of long-term incentive along with their base salary and short-term incentive form the total compensation to which we benchmark our executives. The combination of PSUs, RSUs and stock options each bring a set of incentives to drive the appreciation of the stock price both short term and longer term. All of our long-term incentives require some holding period, which encourages retention of key executives.

	2022 Long-term incentive	PSU		RSU		Stock options	
		Dollars	Units	Dollars	Units	Dollars	Units
Kevin Ford	\$ 625,000	\$ 82,500	4,964	\$ 385,000	6,537	\$ 157,500	14,945
Patrick Houston	\$ 177,006	\$ 22,500	1,354	\$ 105,000	1,783	\$ 49,506	4,697
Patrick Thera	\$ 60,001	\$ 9,000	542	\$ 42,000	713	\$ 9,001	854
Jerry Johnston	\$ 61,999	\$ 7,500	451	\$ 35,000	594	\$ 19,499	1,850
Sacha Gera	\$ 80,000	\$ -	-	\$ 80,000	1,354	\$ -	-

New in 2022 was the introduction of PSUs in the compensation structure. We anticipate that in the future this will become a more significant element as we align the compensation objectives with the Company's three-year strategic and financial objectives. PSUs are issued under the existing RSU plan, and vest if specified performance metrics are achieved.

	PSU	RSU	Stock options
Plans	Share unit plan last approved by shareholders in 2020, and put forward for re-approval in February 2023	Share unit plan last approved by shareholders in 2020 and put forward for re-approval in February 2023	Stock option plan approved by shareholders in 2020 and put forward for re-approval in February 2023
Who can participate	Employees and officers	Employees and officers	Employees, directors and officers
Form of award	Share units that track the value of our shares and can be settled in cash or shares, based on the achievement of specific criteria. We divide the grant value by the grant date fair value to determine the number of units.	Share units that track the value of our shares and can be settled in cash or shares, and vest at specific intervals based on time. We divide the grant value by the grant date fair value to determine the number of units.	Options to buy common shares upon vesting based on the price at the time of award. Awards have a life of five years and must be exercised before expiry.
Vesting	Upon the achievement of the criteria set forth by the compensation committee.	Vest in three equal tranches over a period of three years from the grant date.	Vest in three equal tranches over a period of three years or at the discretion of the board and expire five years after the grant date.

2022 PSU Awards

New in 2022 was the introduction of PSUs into our compensation structure. PSUs are issued under the existing RSU plan, and vest if specified performance metrics are achieved. The Committee selected total shareholder return (TSR) against our peers, being the TSR of the Canadian Small Cap index. The measurement period was for the fiscal year 2022 ending on September 30, 2022.

The PSU had four vesting tranches:

Tranche 1 (25%) – Outperform our benchmark between 0% and 5%

Tranche 2 (25%) - Outperform our benchmark between 5% and 10%

Tranche 3 (25%) - Absolute return above 0% and outperform our benchmark between 10% and 15%

Tranche 4 (25%) - Absolute return above 0% and outperform our benchmark by more than 15%

Performance for fiscal year 2022:

- TSR of the Canadian Small Cap Index -16.0%
- TSR of Calian Group Ltd. -8.2%

50% of the PSUs achieved the performance criteria, and the remaining 50% did not vest and expired on October 1, 2022.

Cost of Management

The table below shows a steady increase of our total EBITDA and revenue of the last three years. Between 2020 and 2022, revenue increased by 35% and EBITDA increased by 79%.

Total direct compensation to the five named executive officers has increased, but at a slower pace than the overall growth of the Company, and as a result the total cost as % of EBITDA has decreased significantly since 2020, and marginally increased from 2021.

\$ CDN millions	2020 ¹	2021 ²	2022
EBITDA	\$ 36,810	\$ 51,929	\$ 65,932
Total revenue	\$ 432,320	\$ 518,404	\$ 582,172
Total direct compensation awarded to named executives	\$ 3,371	\$ 2,954	\$ 3,986
As a % of EBITDA	9.2%	5.7%	6.0%
As a % of total revenue	0.8%	0.6%	0.7%

¹⁾ The direct compensation awarded to named executives includes compensation related to the following individuals who were the highest paid named executives within the Company: Kevin Ford, Patrick Houston, Jacqueline Gauthier (Former Senior Vice President, Corporate Development), Patrick Thera and Jerry Johnston.

²⁾ The direct compensation awarded to named executives includes compensation related to the following individuals who were the highest paid named executives within the Company: Kevin Ford, Patrick Houston, Patrick Thera, Jerry Johnston and Seann Hamer (Chief Information Officer)

SUMMARY COMPENSATION TABLE

(ALL CANADIAN DOLLAR AMOUNTS ROUNDED TO NEAREST DOLLAR)

The following table sets forth all compensation earned by each named executive officer for each of the Corporation's three most recent completed financial years.

Name and principal position	Year	Salary	Share-based awards	Option-based awards ⁽⁴⁾	Non-equity incentive plan compensation ⁽¹⁾		Pension value	All other compensations	Total compensation
					Annual incentive plan	Long-term incentive plans			
Kevin Ford CEO	2022	\$500,000	\$467,500 ⁽²⁾⁽³⁾	\$157,520	\$525,000 ⁽⁵⁾	-	-	\$8,400	\$1,658,420
	2021	\$480,000	\$285,000	-	\$368,497	-	-	\$8,400	\$1,141,897
	2020	\$426,360	\$572,457	-	363,384	-	-	\$8,400	\$1,370,601
Patrick Houston CFO and Corporate Secretary	2022	\$300,000	\$127,500 ⁽²⁾⁽³⁾	\$49,506	\$225,000 ⁽⁵⁾	-	-	\$7,800	\$709,806
	2021	\$275,000	\$110,000	-	\$144,875	-	-	\$7,800	\$537,675
	2020	\$255,000	\$226,899	-	\$143,500	-	-	\$7,800	\$633,199
Patrick Thera President, Advanced Technologies	2022	\$310,000	\$51,000 ⁽²⁾⁽³⁾	\$9,001	\$193,456	-	-	\$15,500	\$578,957
	2021	\$306,000	\$50,000	-	\$147,740	-	-	\$15,300	\$519,040
	2020	\$300,000	\$91,675	-	\$216,000	-	-	\$15,000	\$622,675
Jerry Johnston Chief Information Officer	2022	\$238,000	\$42,500 ⁽²⁾⁽³⁾	\$19,499	\$205,500 ⁽⁵⁾	-	-	\$7,800	\$513,299
	2021	\$233,000	\$35,000	-	\$137,808	-	-	\$7,800	\$413,608
	2020	\$230,200	\$68,801	-	\$136,500	-	-	\$7,800	\$443,301
Sacha Gera President, IT and Cyber Solutions	2022	\$290,000	\$80,000 ⁽²⁾⁽³⁾	-	\$180,000 ⁽⁶⁾	-	-	-	\$550,000
	2021	-	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-	-

⁽¹⁾Non-equity incentive plan compensation accrued during the fiscal year and payable in cash within two months of fiscal year-end.

⁽²⁾The compensation costs related to the issuance of share-based awards in the form of restricted share units granted in November 2021 based on fair values of a share price of \$58.90.

⁽³⁾The compensation costs related to the issuance of share-based awards in the form of performance based share units granted in November 2021 based on fair values of a share price of \$16.62.

⁽⁴⁾The compensation costs related to the issuance of share-based awards in the form of stock options granted in November 2021 based on fair value of \$10.54.

⁽⁵⁾At the HR and Compensation Committee's discretion, the performance of Kevin Ford, Patrick Houston and Jerry Johnston was reviewed. Based on outstanding performance in FY22, as well as their performance and leadership during the preceding years, their bonus achievement was adjusted from 109% to 150% to recognize outstanding performance.

⁽⁶⁾At the Compensation Committee's discretion, bonus achievement was adjusted from 138% to 150% to recognize outstanding performance.

⁽⁷⁾Sacha Gera assumed the role of President of ITCS on October 1, 2021.

⁽⁸⁾The Black-Scholes pricing model is used to calculate the fair value of the awards on the grant date, as it is the methodology also used for accounting purposes. This is the case for the share-based awards in the form of stock options. For share-based awards in the form of restricted share units, the close price on the business day prior to the date of grant is used as the fair value of the awards as it is the methodology also used for accounting purposes. For share-based awards in the form of performance share units, the Company utilizes the monte carlo valuation approach as the fair value of the awards as it is the methodology also used for accounting purposes.

Name	Option-based awards				Share-awards ⁽³⁾		
	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 (#)	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽²⁾ (\$)
Kevin Ford	14,945	\$58.90	November 24, 2026	-	11,501	\$ 643,251	N/A
	44,130	\$60.30	August 11, 2025	-	3,201	\$179,032	
					1,827	\$102,184	
Patrick Houston	4,697	\$58.90	November 24, 2026	-	3,137	\$175,452	N/A
	18,353	\$60.30	August 11, 2025	-	1,235	\$69,074	
					658	\$36,802	
Patrick Thera	854	\$58.90	November 24, 2026	-	1,255	\$70,192	N/A
	6,715	\$60.30	August 11, 2025	-	561	\$31,377	
	12,000	\$29.55	November 19, 2023	316,560	326	\$18,233	
Jerry Johnston	1,850	\$58.90	November 24, 2026	-	1,045	\$58,447	N/A
	4,775	\$60.30	August 11, 2025	-	590	\$35,990	
					521	\$31,781	
Sacha Gera	-	-	-	-	1,358	\$ 75,953	N/A

⁽¹⁾ Calculated based on the difference between the market value of the shares underlying the options at the end of the fiscal year ended September 30, 2022 and the exercise price of such options.

⁽²⁾ Calculated based on the market value of the shares on September 30, 2022 of \$55.93 and the grant price of such awards.

⁽³⁾ Including restricted share units and performance share units.

The following table sets out the value of incentives earned by the named executive officers or vested in their favour during the financial year ended September 30, 2022.

Name	Option-based awards value vested in year ⁽¹⁾	Share-based awards vested in year	Non equity incentive plan value earned in year
Kevin Ford	-	\$263,201	\$525,000
Patrick Houston	-	\$89,910	\$225,000
Patrick Thera	-	\$54,389	\$193,456
Jerry Johnston	-	\$39,414	\$205,500
Sacha Gera	-	-	\$180,000

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

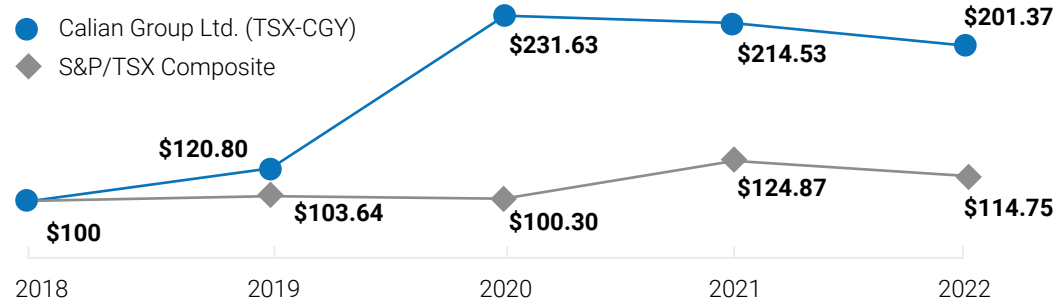
Share Performance and Executive Compensation

The share performance graph compares the five-year performance of Calian Group Ltd. of a shareholder who invested CDN \$100 in Calian common shares on October 1, 2017 with the total cumulative return of Cdn\$100 invested in the S&P/TSX Composite Index over the same period.

Date	Calian					S&P Composite			
	Share price	Dividends	TSR ⁽¹⁾ from day 1	TSR %	Dollar value	Index value	TSR from day 1	TSR %	Dollar value
30-Sep-18	\$ 30.00				\$ 100.00	\$ 16,073.10			\$ 100.00
30-Sep-19	\$ 35.12	\$ 1.12	\$ 6	21%	\$ 120.80	\$ 16,658.60	\$ 585	4%	\$ 103.64
30-Sep-20	\$ 67.25	\$ 1.12	\$ 39	132%	\$ 231.63	\$ 16,121.40	\$ 48	0%	\$ 100.30
30-Sep-21	\$ 61.00	\$ 1.12	\$ 34	115%	\$ 214.53	\$ 20,070.25	\$ 3,997	25%	\$ 124.87
30-Sep-22	\$ 55.93	\$ 1.12	\$ 30	101%	\$ 201.37	\$ 18,444.20	\$ 2,371	15%	\$ 114.75

⁽¹⁾Total Shareholder Return

\$100 invested in Calian vs TSX, 2018-2022



SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the number of Common Shares authorized for issuance from treasury under the Corporation's equity compensation plans as at September 30, 2022.

Plan category	Total outstanding options	Weighted average exercise price of options outstanding	Number of securities available for future issuance
Equity compensation plans approved by security holders	220,800 ⁽¹⁾	\$51.91	823,865

The table below provides further detail on the number of securities authorized for issuance under equity compensation plans as at December 19, 2022:

Total number of common shares available for issuance pursuant to the corporation's security-based compensation arrangements, being 9% of the outstanding Common Shares	1,048,830
Common Shares issuable pursuant to options outstanding under the 2016 Stock Option plan	232,156
Common Shares issuable pursuant to options outstanding under the 2016 RSU plan	53,166
Total number of common shares remaining available for issuance under the ESPP	763,508

⁽¹⁾These securities include Common Shares issuable under the Corporation's 2016 Stock Option Plans and Common Shares issuable under the Corporation's 2016 Restricted Share Unit Plan (see discussion below) but do not include Common Shares authorized for issuance pursuant to the Purchase Plan (as defined below). Approximately 414,672 Common Shares were available for issuance under the Purchase Plan at September 30, 2022, all in accordance with the terms and conditions thereof as disclosed to and approved by shareholders on February 6, 2020.

For further details relating to the Corporation's Stock Option Plan and Restricted Share Unit Plan, please see Appendix C and D respectively.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Kevin Ford

Pursuant to an employment agreement dated July 27, 2020, Kevin Ford is employed as the Corporation's President and Chief Executive Officer. As of the date of this Circular, the compensation payable to Mr. Ford under this agreement comprises a salary in the amount of \$575,000, an on-target cash bonus of \$402,500 determined from time to time by the Compensation Committee or the board based on the Corporation's financial performance, an annual grant of equity of \$632,500 under the Company's long-term incentive plans and a car allowance of \$700 per month.

In the event Mr. Ford is terminated by the Corporation for convenience, the Corporation is required to pay Mr. Ford, any amounts accrued and owed, and an amount equal to 24 months' base salary, short term incentive and benefits continuance, and continued vesting of 24 months for equity previously granted, subject to agreeing to a non-competition period of 24 months. Mr. Ford is also subject to non-solicitation, non-disparagement and confidentiality agreements with the Corporation.

Patrick Houston

Pursuant to an employment agreement dated July 27, 2020, Patrick Houston is employed by the Corporation as Chief Financial Officer and Corporate Secretary. As of the date of this Circular, the compensation payable to Mr. Houston under this agreement comprises a salary in the amount of \$330,000, an on-target cash bonus of \$165,000 determined from time to time by the Compensation Committee or the board based on the Corporation's financial performance, an annual grant of equity of \$165,000 under the Company's long-term incentive plans, and a car allowance of \$650 per month.

In the event Mr. Houston is terminated by the Corporation for convenience, the Corporation is required to pay Mr. Houston, any amounts accrued and owed, and an amount equal to 12 months' base salary, short term incentive and benefits continuance, and continued vesting of 24 months for equity previously granted, subject to agreeing to a non-competition period of 12 months. Mr. Houston is also subject to non-solicitation, non-disparagement and confidentiality agreements with the Corporation.

Termination benefits

The following table provides details regarding the estimated incremental payments from the Corporation to each of the named executive officers upon termination.

Name	Termination benefits
Kevin Ford	\$1,955,000
Patrick Houston	\$495,000

The amounts above are payable upon termination for convenience. If termination for cause, no amounts would be payable to either Mr. Ford or Mr. Houston. For purposes of Mr. Ford and Mr. Houston's employment, "termination for cause" is defined according to the laws in the Province of Ontario.

COMPENSATION OF DIRECTORS

ATTENDANCE

We expect directors to attend all board meetings and their committee meetings. Directors can also attend other committee meetings as guests to encourage cross-committee attendance and enhance understanding of other issues.

2022 meeting attendance

The table below sets out the FY2022 board and board committee attendance record for each member of the board. Kevin Ford is not a member of any board committees because of his position as President and CEO but is invited to attend committee meetings. The board and committees set aside time at each meeting to meet without management present.

	Board Committees									
	Board		Audit		HR & Compensation		Governance and Risk		Nominating	
George Weber	14 of 14	100%	4 of 4	100%	4 of 4	100%	4 of 4	100%	6 of 6	100%
Ray Basler	14 of 14	100%	4 of 4	100%	4 of 4	100%	4 of 4	100%	6 of 6	100%
Jo-Anne Poirier	14 of 14	100%	4 of 4	100%	4 of 4	100%	4 of 4	100%	6 of 6	100%
Young Park	14 of 14	100%	4 of 4	100%	4 of 4	100%	4 of 4	100%	N/A	-
Ronald Richardson	14 of 14	100%	4 of 4	100%	4 of 4	100%	4 of 4	100%	N/A	-
Valerie Sorbie	13 of 13	100%	3 of 3	100%	3 of 3	100%	3 of 3	100%	N/A	-

DIRECTOR SHARE OWNERSHIP

We require our directors to meet our share ownership guidelines within three years of joining the board. Directors must hold at least three times their annual cash retainer (or a fixed number of shares set in 2021) in Calian common shares or DSUs by their third anniversary. Stock options are excluded.

We value ownership levels every September 30th to determine compliance.

Directors	Share ownership	Value	Target	% of target	Multiple of base pay
George Weber	10,024	560,642	8,500	118%	3.45
Ray Basler	30,181	1,688,023	5,000	604%	17.26
Jo-Anne Poirier	8,825	493,582	5,000	177%	5.05
Young Park	3,384	189,267	5,000	68%	1.94
Ronald Richardson	5,899	329,931	5,000	118%	3.37
Valerie Sorbie	467	26,119	5,000	9%	0.38

Director share ownership guidelines

Non-Executive Board Members	Fixed Number of Shares	Variable Number of Share
Chair	8,500	3x retainer
Board Members	5,000	3x retainer

COMPENSATION APPROACH

Our director compensation program is designed to attract and retain qualified individuals to serve on our board. We compete with other Canadian public and private companies.

We have developed a compensation structure that delivers both a fixed retainer, in addition to equity participation in the form of director share units (DSU's) and stock options.

Stock options align directors' interest with shareholders to reward shareholder return and stock appreciation. Stock options vest one year after grant and expire five years after the initial grant.

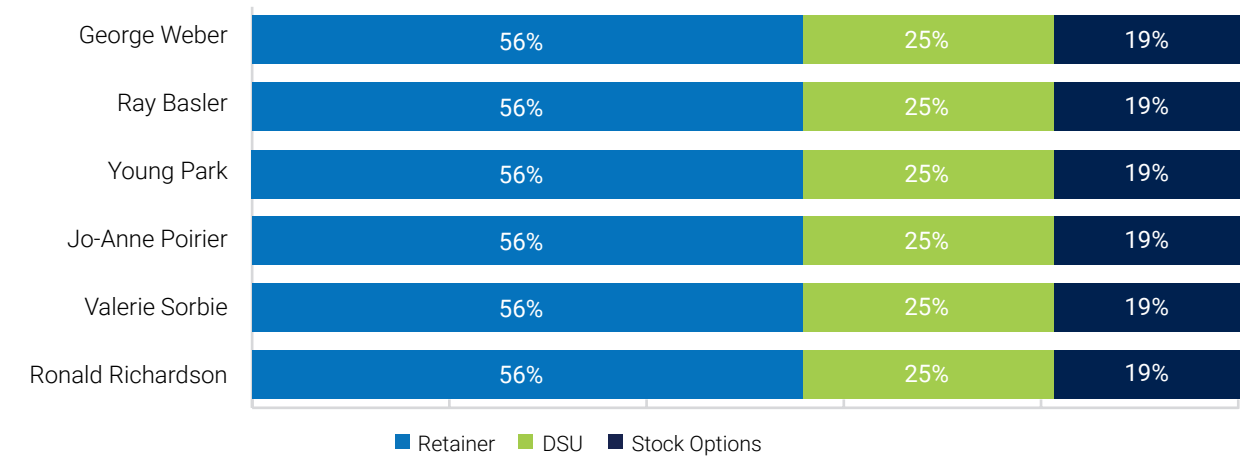
DSU's granted to directors track the value of the underlying common shares of Calian. They are required to be held for the duration of their time as a director and are paid out in cash upon their retirement from the Board of Directors.

Directors do not receive meeting fees but are reimbursed for reasonable travel and other expenses they incur while carrying out their duties as directors.

Compensation Details

	2021 Board Retainer			2022 Board Retainer		
	Cash	Equity	Total	Cash	Equity	Total
Chairman Retainer	92,500	30,000	122,500	117,250	45,313	162,563
Director retainer	57,500	19,375	76,375	69,900	27,875	97,775

TARGET COMPENSATION MIX



Name	Fees earned	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
George Weber	\$117,250	\$45,313	\$30,750	Nil	Nil	Nil	\$193,313
Kenneth J. Leob ⁽¹⁾	\$15,000	\$5,000	-	Nil	Nil	Nil	\$20,000
Ray Basler	\$69,900	\$27,875	\$18,300	Nil	Nil	Nil	\$116,075
Jo-Anne Poirier	\$69,900	\$27,875	\$18,300	Nil	Nil	Nil	\$116,075
Young Park	\$69,900	\$27,875	\$18,300	Nil	Nil	Nil	\$116,075
Ronald Richardson	\$69,900	\$27,875	\$18,300	Nil	Nil	Nil	\$116,075
Valerie Sorbie ⁽²⁾	\$48,733	\$19,690	\$16,287	Nil	Nil	Nil	\$84,710

1) Mr. Loeb resigned from the board on February 11, 2022

2) Ms. Sorbie joined on February 11, 2022

Director	Option-Based Awards				Share-Awards ⁽³⁾		
	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 (#)	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽²⁾ (\$)
George Weber	2,918	\$58.90	November 24, 2026	-	220	\$12,300	\$302,044
	7,559	\$61.16	November 24, 2025	-			
Ray Basler	1,736	\$58.90	November 24, 2026	-	131	\$7,320	\$227,955
	4,221	\$61.16	November 24, 2025	-			
	5,000	\$36.49	November 25, 2024	\$97,200			
	5,000	\$29.55	November 19, 2023	\$131,900			
Jo-Anne Poirier	1,736	\$58.90	November 24, 2026	-	131	\$7,320	\$206,791
	4,221	\$61.16	November 24, 2025	-			
	5,000	\$36.49	November 25, 2024	\$97,200			
Young Park	1,736	\$58.90	November 24, 2026	-	131	\$7,320	\$138,535
	4,221	\$61.16	November 24, 2025	-			
	5,000	\$36.49	November 25, 2024	\$97,200			
	5,000	\$29.55	November 19, 2023	\$131,900			
Ronald Richardson	1,736	\$58.90	November 24, 2026	-	131	\$7,320	\$39,696
	1,817	\$60.35	February 09, 2026	-			
Valerie Sorbie	1,536	\$60.55	March 9, 2027	-	127	\$7,100	\$19,010

⁽¹⁾Calculated based on the difference between the market value of the shares underlying the options at the end of the fiscal year ended September 30, 2022 and the exercise price of such options.

⁽²⁾Calculated based on the market value of the shares on September 30, 2022 and the grant price of such awards.

⁽³⁾Including DSUs

Director	Option-based awards value vested in year	Share-based awards vested in year	Non equity incentive plan value earned in year
George Weber	\$5,114	\$45,313	N/A
Ray Basler	\$3,042	\$27,875	N/A
Jo-Anne Poirier	\$3,042	\$27,875	N/A
Young Park	\$3,042	\$27,875	N/A
Ronald Richardson	\$3,042	\$27,875	N/A
Valerie Sorbie	\$1,463	\$19,690	N/A

OTHER INFORMATION

Indebtedness of Directors, Executive Officers and Senior Officers

There was no indebtedness owed to Calian during the fiscal year ended September 30, 2022 by any individual who was a director, executive officer or senior officer of Calian (and any associate of the foregoing).

Directors' and Officers' Liability Insurance

Calian maintains directors' and officers' liability insurance in the aggregate principal amount of \$70,000,000. The premium payable for such insurance during the period from October 26, 2022 to October 26, 2023 is \$210,157. The Calian by-laws generally provide that it shall indemnify its directors or officers against liability incurred in such capacity to the extent permitted or required by the CBCA. To the extent Calian is required to indemnify the directors or officers pursuant to its by-laws, the insurance policy provides that Calian is liable for the initial \$150,000 in the aggregate for each loss claimed.

Interest of Informed Persons in Material Transactions

There are no interests, direct or indirect, of any directors, officers or holders of over 10% of the Common Shares, or any directors or officers of any holders of over 10% of the Common Shares, or any affiliates or associates of any of the foregoing, in any Calian transactions since the commencement of the most recently completed financial year or in any proposed transaction, that has materially affected or that would materially affect Calian or any of its subsidiaries, with the exception of the ratification and approval of the Corporation's Stock Option Plan, Restricted Share Unit Plan, Employee Share Purchase Plan and Shareholder Rights' Plan.

Other Matters

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

Deadline for Shareholder Proposals

If any person entitled to vote at an annual and special meeting of Calian shareholders wishes to propose any matter for consideration at the next annual and special meeting, in order for such proposal to be considered for inclusion in the materials mailed to shareholders in respect of such meeting, such proposal must be received by Calian not longer than 90 days before the anniversary date of this notice.

Additional Information

Financial Information is provided in Calian comparative financial statements and management discussion and analysis for its most recently completed financial year. Copies of Calian financial statements and management discussion and analysis can be requested by contacting Investor Relations at IR@calian.com or by calling 1-613-599-8600.

Additional information relating to Calian can also be found on SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

The undersigned hereby certifies that the directors of Calian have approved the contents and the sending of this Circular.

DATED: December 19, 2022



Patrick Houston, Secretary

Calian Group Ltd., Ottawa, Ontario

APPENDIX A

BOARD AND COMMITTEE MANDATES

MANDATE OF THE BOARD OF DIRECTORS

1. Authority

- 1.1. The Board of Directors (Board) has the overall responsibility for the stewardship of the Corporation. The Board delegates to management some of its authority and certain responsibilities to manage the business of the Corporation. The delegation of authority conforms to statutory limitations and certain responsibilities cannot be delegated to management and remain with the Board. The Calian Board of Directors has a Chair, a Corporate Governance and Risk Committee, a Nominating Committee, a Human Resources and Compensation Committee and an Audit Committee.

2. Purpose

- 2.1. The primary objective of the Board is to make sure that management is thinking and acting in a manner that reflects our core objectives of:
 - a. Creating and protecting value
 - b. Thinking long-term
 - c. Being honest, transparent, and prudent in all business activities

3. Responsibilities

3.1. Strategic Planning and Annual Operational Plans

- 3.1.1. Review and approve the strategic plan and monitor the implementation of the strategic plan by management;
- 3.1.2. Review and approve the financial goals of the Corporation;
- 3.1.3. Review and approve the annual operating plan and budget of the Corporation;
- 3.1.4. Review and approve major business decisions and transactions not in the ordinary course of business such as acquisitions, divestitures, and capital transactions.

3.2. Risk Management

- 3.2.1. With the support of the Governance and Risk and Audit Committees of the Board:
 - a. Review the processes utilized by management with respect to risk assessment and risk management and the identification by management of the principal risks of the business of the Corporation including financial risks;
 - b. Review the implementation by management of appropriate systems to manage operational, conflict of interest, compliance & financial risks;
 - c. Review the processes to ensure respect for and compliance with applicable regulatory, corporate, securities, environmental, health and safety, and other legal requirements.

3.3. Human Resource and Compensation

With the support of the Human Resource and Compensation Committee:

- 3.3.1. Provide guidance and oversight on human resources and compensation issues affecting the Corporation;
- 3.3.2. Choose the Chief Executive Officer and approve the appointment of Senior Officers;
- 3.3.3. Review and approve the corporate objectives that the Chief Executive Officer is responsible for achieving;
- 3.3.4. Assess the performance of the Chief Executive Officer in relation to such objectives;
- 3.3.5. Establish the compensation for the Chief Executive Officer;
- 3.3.6. Assess and oversee the succession plan for Senior Officers;
- 3.3.7. Ensure that processes are in place for the recruitment, training, development, and retention of executives who exhibit high-standards of integrity and competence.

3.4. Internal Controls

With the support of the Audit Committee:

- 3.4.1. Oversee the establishment by management of an adequate system of internal controls and procedures and assess its effectiveness;
- 3.4.2. Oversee the reliability and integrity of accounting, disclosure principles, and practices followed by management;
- 3.4.3. Approve the Annual Financial Statements, Management Discussion and Analysis, and other statutory filings such as the AIF, Management Proxy Circular and Annual Report;
- 3.4.4. Approve the Interim Financial Statements and Management Discussion and Analysis.

3.5. Communication and Public Disclosure

- 3.5.1. Adopt communication policies and monitor the Corporation's investor relations program;
- 3.5.2. Oversee the establishment of processes for accurate, timely, and full public disclosure.

3.6. Governance

With the support of the Governance and Risk Committee

- 3.6.1. Establish appropriate structures and procedures to allow the Board to function independently of management;
- 3.6.2. Evaluate the size and composition of the Board and establish Board committees. Define the committees mandates to assist the Board in carrying out its responsibilities;
- 3.6.3. Review periodically the Corporation's Guide to Ethical Business Practices;
- 3.6.4. Annually review and assess the adequacy of the Board's mandate and evaluate its effectiveness in fulfilling its responsibilities;

- 3.6.5. Overseeing corporate governance of the Corporation, including development and adoption of corporate governance policy;
- 3.6.6. Review shareholder proposals and determine appropriate course of action;
- 3.6.7. Ensure company is operating in a sustainable manner taking into account best practices in environmental, social, and governance (ESG);
- 3.6.8. Annually review and update the Board skills matrix to reflect the changing needs of the organization in concert with the Nominating Committee.

4. Membership

- 4.1. The board shall be comprised of the independent directors and CEO of the corporation.

5. Chair

- 5.1. The Chair has primary responsibility for the Corporation's strategic direction. The Chair, along with the CEO, will ensure that the Corporation's management and employees conduct their business with honesty and integrity with a view to creating sustainable, long-term value and profitable growth. Along with the Board of Directors, the Chair assumes responsibility for the stewardship of the Corporation. The Chair manages the affairs of the Board, ensuring that the Board is organized properly, functions effectively, operates independently from management, and meets its obligations and responsibilities relating to corporate governance matters.

5.2. Specific Responsibilities

- 5.2.1. Provide leadership to the Board in reviewing and deciding upon matters that exert major influence on the manner in which the Corporation's business is conducted, such as corporate strategic planning, policy formulation, and mergers and acquisitions;
- 5.2.2. Provide liaison between the Board and management of the Corporation;
- 5.2.3. Provide overall leadership to enhance the effectiveness of the Board. Chair meetings of the Board and attend committee meetings as appropriate;
- 5.2.4. In collaboration with the Nominating Committee support the director recruitment process and recommend to the Board of Directors nominees for election to the Board;
- 5.2.5. Support the orientation of new and the continued education of incumbent directors;
- 5.2.6. Periodically review the performance of Directors and the effectiveness of the Board and each of its committees.

6. Rules of Procedure

- 6.1. The Board shall be composed of a minimum of 6 directors, with the majority being independent directors.
- 6.2. The Board shall meet on a quarterly basis. Each quarterly meeting will include the following sessions:
 - 1. Informal board dinner with board members and senior management present;
 - 2. Independent Directors meetings;

- 3. Board meeting with management present;
- 4. Board meeting without management present.
- 6.3. Special meetings shall be held at the call of the Chair or upon the request of two members of the Board;
- 6.4. Unless the Board otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee;
- 6.5. A copy of the minutes of each meeting of the Board of Directors shall be provided to each director in a timely fashion;
- 6.6. Board meeting agendas shall be the responsibility of the Chair of the Board;
- 6.7. The Board shall communicate its expectations to management with respect to the nature, timing, and extent of its information needs. The Committee expects that written materials will be received from management at least five (5) days in advance of meeting dates;
- 6.8. To assist the Board in discharging its responsibilities, the Board may retain at the expense of the Corporation, one or more persons having special expertise.

7. Term

- 7.1. Board member terms are subject to the Companies term limits policy.

8. Frequency of Meetings

- 8.1. The Board shall meet on a quarterly basis and at other times as circumstances dictate.

9. Quorum

- 9.1. A quorum shall be a majority of the members.

10. Resources

- 10.1. Resources to support the Board will be provided through consultation with the Board Chair and CEO.

MANDATE OF THE AUDIT COMMITTEE

1. Purpose

The Audit Committee (The Committee) will assist the Board of Directors in fulfilling its oversight responsibilities. In performing its duties, the Committee will maintain effective working relationships with management and the external auditors.

The Committee expects the management of the Corporation to operate in compliance with the Corporation's Code of Conduct and corporate policies; with laws and regulations governing the Corporation; and to maintain strong financial reporting and control processes.

2. Responsibilities

2.1 Financial Reporting

- 2.1.1 Review the Corporation's quarterly financial statements including the Management Discussion and Analysis (MDA) and related press releases with management and review the Corporation's annual audited financial statements with the external auditors to gain reasonable assurance that the statements are accurate, complete, represent fairly the Corporation's financial position and performance and are in accordance with GAAP and report thereon to the Board before such financial statements are approved by the Board. Specifically, in its review of the Financial Statements, MDA and press releases, the Committee should:
- a) Obtain an explanation from management of all significant variances between comparative reporting periods and budget;
 - b) Review unusual items and other material matters outside of the normal course of business that affect financial reporting and adequacy of disclosure;
 - c) Review related party transactions and adequacy of disclosure;
 - d) Review key estimates and judgments;
 - e) Review uncertainties, commitments and contingent liabilities and;
 - f) Review the appropriateness of the Corporation's significant accounting principles and practices, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.
- 2.1.2 Review the quarterly and annual compliance of management certification of financial reports with applicable legislation and attestation of the Corporation's disclosure controls and procedures.
- 2.1.3 Review general accounting trends and issues regarding accounting policy, standards and practices, including new developments with Generally Accepted Accounting principles, which may affect the Corporation.
- 2.1.4 Annually review with management and the external auditors the underlying degree of conservatism or optimism of the Corporation's accounting policies, key estimates and judgments and reserves.
- 2.1.5 Receive from the external auditors reports on their audit of the annual financial statements;
- 2.1.6 Receive from management a copy of the representation letter provided to the external auditors and receive from management any additional representations required by the Committee;
- 2.1.7 Review any report which accompanies published financial statements (to the extent such report discusses financial condition or operating results) for consistency of disclosure with the financial statements themselves.
- 2.1.8 Review and, if appropriate, recommend approval to the Board of prospectuses, material change disclosures of a financial nature, management discussion and analysis, annual information forms and similar disclosure documents to be issued by the Corporation.

2.2 Internal Controls

- 2.2.1 Review and monitor the Corporation's internal control procedures, program and policies, and assess the adequacy and effectiveness of internal controls over the accounting and financial reporting systems.
- 2.2.2 Review the annual plan for internal audits;
- 2.2.3 Review the reports of the Corporation on internal audits with respect to control and financial risk, and any other matters appropriate to the Committee's duties. The Committee shall review the adequacy and appropriateness of management's response, including the implementation thereof;
- 2.2.4 Review the evaluation of internal controls by the external auditors, together with management's response;
- 2.2.5 Review the adequacy of the Corporation's internal audit resources.

2.3 External Auditors

- 2.3.1 Recommend to the Board the nomination of the external auditors and approve the remuneration and the terms of engagement of the external auditors as set forth in the Engagement Letter;
- 2.3.2 Review the performance of the external auditors annually or more frequently as required and receive from the external auditors the annual CPAB public report. Furthermore, in the event that CPAB inspects the audit file of the Corporation, the committee will receive and review the following information:
- a) A description of the focus areas selected for inspection by the CPAB;
 - b) An indication of whether or not there are any significant inspection findings; and
 - c) If there are significant inspection findings, a description of the findings and any actions the firm has taken in response to the findings and CPAB disposition;
- 2.3.3 Receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services by the Corporation;
- 2.3.4 Review with the external auditors the audit plan including the scope of the audit, the areas of special emphasis to be addressed in the audit, the extent to which the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or illegal acts, and the materiality levels which the external auditors propose to employ. The Committee should recommend to the Board of Directors the scope of the external audit as stated in the audit plan;
- 2.3.5 Review all engagements for non-audit services provided by the external auditors together with fees for such services, and consider the impact of this on the independence of the external auditors. The Committee shall determine which non-audit services the external auditors are prohibited from providing.
- 2.3.6 Meet annually with the external auditors in the absence of management to determine, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;
- a) the level of cooperation received from management;
 - b) any unresolved material differences of opinion or disputes;
 - c) the effectiveness of the work of internal audit; and
 - d) the quality of the financial personnel.

- 2.3.7 Establish effective communication processes with management and the Corporation's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee.
- 2.3.8 When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by regulations and the planned steps for an orderly transition.
- 2.3.9 When discussing auditor independence, the Committee will consider both rotating the lead audit partner or audit partner responsible for reviewing the audit after a number of years and establishing hiring policies for employees or former employees of its external auditor.
- 2.3.10 Review the working relationship between management and the external auditors.

2.4 Risk Management

- 2.4.1 Put in place procedures to receive and handle complaints or concerns received by the Corporation about accounting or audit matters including the anonymous submission by employees of concerns respecting accounting and auditing matters.
- 2.4.2 Acknowledging that it is the responsibility of the Board, in consultation with management, to identify the principal business risks facing the Corporation, determine the Corporation's tolerance for risk and approve risk management policies, the Committee shall focus on financial risk and gain reasonable assurance that financial risk is being effectively managed or controlled by:
 - a) Reviewing with management the Corporation's tolerance for financial risks;
 - b) Reviewing with management its assessment of the significant financial risks facing the Corporation;
 - c) Reviewing with management the Corporation's policies and any proposed changes thereto for managing those significant financial risks;
 - d) Reviewing with management its plans, processes and programs to manage and control such risks;
- 2.4.3 Review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion;
- 2.4.4 Review foreign currency risk mitigation strategies, including the use of derivative financial instruments;
- 2.4.5 Review the adequacy of insurance coverage maintained by the Corporation;
- 2.4.6 Review regularly with management and the external auditors any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these matters have been disclosed in the financial statements.

2.5. Compliance with Laws and Regulations

- 2.5.1 Review regular reports from management and others (e.g. internal and external auditors) with respect to the Corporation's compliance with laws and regulations having a material impact on the financial statements including:
 - a) Tax and financial reporting laws and regulations;

- b) Legal withholding requirements;
- c) Environmental protection laws and regulations;
- d) Other laws and regulations which expose directors to liability;

- 2.5.2 Review reports with respect to Occupational Health and Safety matters having a potential significant financial impact and to gain reasonable assurance annually that the Corporation's reserves with respect to such matters are sufficient and appropriate;
- 2.5.3 Review the status of the Corporation's tax returns and those of its subsidiaries.

2.6 Other Responsibilities

- 2.6.1 Review periodically the form, content and level of detail of financial reports to the Board;
- 2.6.2 Approve quarterly the reasonableness of the expenses of the Chief Executive Officer;
- 2.6.3 After consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the Corporation's accounting and financial personnel and other resources;
- 2.6.4 Review in advance the appointment of the Corporation's Chief Financial Officer;
- 2.6.5 Investigate any matters that, in the Committee's discretion, fall within the Committee's duties;
- 2.6.6 Review reports from management, the external auditors, and/or other Committee Chair on their review of compliance with the Corporation's Code of Conduct;
- 2.6.7 Perform such other functions as may from time to time be assigned to the Committee by the Board.

3. Membership

The Committee shall be composed of a minimum of four directors, all of whom shall be independent directors and financially literate of which one member shall be selected by the board chair as audit committee chair.

4. Rules of Procedure

- 4.1 Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.
- 4.2 In the absence of the Chair of the Committee, the members shall appoint an acting Chair.
- 4.3 A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee in a timely fashion.
- 4.4 Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with Committee members, senior management and the external auditors.
- 4.5 The Committee shall communicate its expectations to management with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management at least five (5) days in advance of meeting dates.
- 4.6 At each meeting of the Committee, the members of the Committee shall meet in private session with the Corporation's auditors.

- 4.7 To assist the Committee in discharging its responsibilities, the Committee may, in addition to the external auditors, at the expense of the Corporation, retain one or more persons having special expertise.
- 4.8 The Committee shall annually review, discuss and assess its own performance in fulfilling its mandate.
- 4.9 Annually review and assess the adequacy of its mandate and evaluate its effectiveness in fulfilling its mandate;
- 4.10 Review and update this Mandate on a regular basis for approval by the Board.

5. Reporting

- 5.1 The Committee, through its Chair, shall report after each Committee meeting to the Board at the Board's next regular meeting.

6. Frequency of Meetings

- 6.1 The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chair, upon the request of two members of the Committee or at the request of the Chair of the Board of the Corporation or the external auditors.

7. Quorum

- 7.1 A quorum shall be a majority of the members.

8. Resources to Support the Committee

- 8.1 Resources to support the committee will be provided through consultation with the committee chair and CEO.

MANDATE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

1. Purpose

- 1.1. The purpose of the Human Resources (HR) and Compensation Committee (The Committee) is to provide guidance and oversight on human resources issues affecting the Corporation, such as significant human resources policies, and to evaluate and provide recommendations respecting performance objectives, assessment, compensation, and succession planning for the office of the President and CEO, Senior Executives and as appropriate Directors of the Board.

2. Responsibilities

- 2.1. Establish the Corporation's general compensation philosophy and framework. Oversee the development and implementation of compensation programs and policies;
- 2.2. Develop and oversee an annual workplan with the CEO related to human resources policies and programs, including the integration of various organizations through mergers and acquisitions;
- 2.3. Review and approve the corporate objectives that the Chief Executive Officer is responsible for meeting, assess the performance of the Chief Executive Officer in relation to such objectives and establish the compensation for the Chief Executive Officer;

- 2.4. Review and approve compensation programs applicable to the Senior Executives of the Corporation;
- 2.5. Review and approve severance or similar termination payments proposed to be made to any current or former Senior Executives of the Corporation;
- 2.6. Oversee the development and implementation of the succession plan for Senior Executives;
- 2.7. Oversee the processes for the recruitment, training, development and retention of executives ensuring high-standards of integrity and competence;
- 2.8. Review the Directors' compensation in relation to current norms and recommend changes to the Board of Directors;
- 2.9. Review human resources risks and related KPI's assigned to the Committee and identify issues to be discussed at full board when required;
- 2.10. Provide oversight on key human resource functions and frameworks, including Occupational Health and Safety, Equity Diversity and Inclusion, and make recommendations for Board approval;
- 2.11. Review annually the terms of reference and work plan for the Committee and recommend any changes to the Board of Directors; and
- 2.12. To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise.

3. Membership

- 3.1. The Committee shall be composed of a minimum of three independent directors of which one member shall be selected by the board as the chair of the Human Resources and Compensation Committee.

4. Rules of Procedure

- 4.1. The Committee may formulate its own Rules of Procedure subject to any direction from the Board.

5. Reporting

- 5.1. The Committee shall report to the Board quarterly.

6. Frequency of Meetings

- 6.1. The Committee shall meet quarterly as appropriate.

7. Quorum

- 7.1. A quorum shall be a majority of the members. Decisions will be made through consensus or majority vote.

8. Resources

- 8.1. Resources to support the committee will be provided through consultation with the Committee chair and CEO.

MANDATE OF THE CORPORATE GOVERNANCE AND RISK COMMITTEE

1. Purpose

- 1.1. The Corporate Governance and Risk Committee (The Committee) will assist the Board of Directors in fulfilling its oversight responsibilities in relation to the corporate governance practices and policies of the Corporation. The primary function of The Committee is to assist the Board with oversight of:
 - a. The organisation's planning, execution, and behaviour;
 - b. Responsible use of resources;
 - c. Sound principle-based decision-making; and,
 - d. The corporate governance practices and policies of the Corporation.
- 1.2. The primary objectives of The Committee are to ensure management:
 - a. Sustains and improves its performance in a viable manner;
 - b. Sustains investor and other stakeholders' confidence;
 - c. Is resilient in the face of adverse conditions or events; and,
 - d. Meets its compliance obligations to customers, suppliers, and regulators.

2. Responsibilities

- 2.1. Board Governance
 - a. Establish appropriate structures and procedures to allow the Board to function independently of management;
 - b. Evaluate the size and composition of the Board and establish Board committees. Define the Committees mandates to assist the Board in carrying out its responsibilities;
 - c. Annually review and assess the adequacy of the Board's mandate and evaluate its effectiveness in fulfilling its responsibilities;
 - d. Monitor best practices and ensure compliance with all legal requirements relating to corporate governance. Develop and recommend to the Board of Directors a set of corporate governance guidelines including the Board of Directors' mandate in accordance with applicable laws and regulations. Review such guidelines periodically and recommend changes as deemed necessary;
 - e. Develop and implement the education program for the Board on an annual basis;
 - f. With the Chair of the Board, implement the annual board evaluation process to prepare for the board slate for the Annual General Meeting and to inform the board recruitment process; and
 - g. Review and assess the adequacy of policies of key importance to the Corporation.

2.2. Oversight of Risk

- a. Monitor the Corporation's governance, risk & compliance framework and related standards and initiatives;
- b. Monitor the Corporation's environmental, social and governance framework and related standards;
- c. Approve governance, risk and compliance policies that are not otherwise assigned to other Board Committees;
- d. Understand and approve the level of risk inherent in our strategy and business model, and the amount and type of risk we are willing to accept in pursuit of corporate goals and objectives;
- e. Monitoring the overall corporate compliance with legal, regulatory and voluntary requirements;
- f. Ascertain that policies and procedures are in place to minimize environmental, social, occupational health and safety, and other risks to asset value and mitigate damage to or deterioration of asset value and review such policies and procedures periodically;
- g. Ascertain that policies and procedures include comprehensive computer disaster recovery plans;
- h. Where the Board has allocated oversight of specific governance, risk or compliance policies and programs to other Board committees, the Governance and Risk Committee will provide the Board with an integrated view of oversight of all governance, risk and compliance programs across all Board committees.

3. Membership

- 3.1. The Committee shall be composed of a minimum of three directors, with the majority being independent directors.

4. Rules of Procedure

- 4.1. Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.
- 4.2. In the absence of the Chair of the Committee, the Board Chair shall chair the meeting.
- 4.3. A copy of the minutes of each meeting of The Committee shall be provided to each director in a timely fashion.
- 4.4. Committee meeting agendas shall be the responsibility of the Chair of the Committee.
- 4.5. To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise.
- 4.6. The Committee shall review its performance and mandate on an annual basis.

5. Reporting

- 5.1. The Committee shall report to the Board quarterly.

6. Frequency of Meetings

- 6.1. The Committee shall meet periodically as circumstances dictate, at a minimum quarterly. Meetings shall be held at the call of the Chair or upon the request of two members of the Board.

7. Quorum

- 7.1. A quorum shall be a majority of the members.

8. Resources

- 8.1. Resources to support the Committee will be provided through consultation with the Committee Chair and CEO.

MANDATE OF THE NOMINATING COMMITTEE

1. Purpose

- 1.1. The Nominating Committee (The Committee) will be responsible for identifying individuals qualified to become new Board members and recommending to the Board of Directors nominees for each annual meeting of the shareholders of the Corporation.

2. Responsibilities

- 2.1. Review periodically the size and composition of the Board to ensure that the Board has the appropriate mix of competencies and skills to facilitate effective decision making as well as the capacity to effectively discharge its responsibilities;
- 2.2. Review from time to time the retirement plans of directors;
- 2.3. Develop plans for the orderly succession of directors to keep the Board appropriately balanced in terms of skills and experience;
- 2.4. Recommend to the Board addition or replacement of one or more directors as may be considered necessary or appropriate from time to time;
- 2.5. Be satisfied that the Corporation has effective plans for the orientation of new directors and the continued education of incumbent directors.

3. Membership

- 3.1. The Committee shall be composed of a minimum of 3 directors, all being independent directors.

4. Rules of Procedure

- 4.1. A copy of the minutes of each meeting of the Committee shall be provided to each director in a timely fashion
- 4.2. Committee meeting agendas shall be the responsibility of the Chair of the Committee;
- 4.3. To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise;
- 4.4. The Committee shall review its performance and mandate on an annual basis.

5. Reporting

- 5.1. The Committee shall report to the Board of Directors periodically on the Committee's activities.

6. Frequency of Meetings

- 6.1. The Committee shall meet at least annually and at other times as circumstances dictate.

7. Quorum

- 7.1. A quorum shall be a majority of the members.

8. Resources

- 8.1. Resources to support the Committee will be provided through consultation with the Committee Chair and CEO.

APPENDIX B

NOTICE OF CHANGE OF AUDITOR

To: Deloitte LLP

And to: KPMG LLP

And to: Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Office of the Superintendent of Securities, Prince Edward Island
The Office of the Superintendent of Securities, Newfoundland and Labrador

Pursuant to National Instrument 51-102 – Continuous Disclosure Obligations (“**NI 51-102**”), Calian Group Ltd. (the “**Company**”) hereby gives notice as follows:

1. Deloitte LLP (the “Former Auditor”) has resigned at the Company’s request, and KPMG LLP (the “Successor Auditor”) has been appointed as the Company’s auditor, effective December 13, 2022;
2. The resignation of the Former Auditor and the appointment of the Successor Auditor as the Company’s auditor have been considered and approved by the Company’s audit committee and board of directors;
3. None of the Former Auditor’s reports on the Company’s financial statements relating to the relevant period (as defined in NI 51-102) have expressed a modified opinion.
4. There are no reportable events (as defined in NI 51-102).

Dated December 13, 2022

Calian Group Ltd.

Per: Patrick Houston
Name: Patrick Houston
Title: Chief Financial Officer

Deloitte.

Deloitte LLP
1600 – 100 Queen Street
Ottawa ON K1P 5T8
Canada

Tel: 613-236-2442
Fax: 613-236-2195

www.deloitte.ca

December 13, 2022

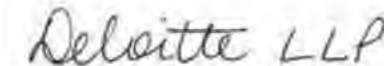
Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
Financial and Consumer Services Commission (New Brunswick)
Office of the Superintendent of Securities, Prince Edward Island
The Office of the Superintendent of Securities, Newfoundland and Labrador

Dear Sirs/Mesdames:

Re: Calian Group Ltd.

As required by subparagraph (5)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of Calian Group Ltd. dated December 13, 2022 (the “Notice”) and, based on our knowledge of such information at this time, we agree to the statements 1, 3, and 4 as it relates to us, and we have no basis to agree with statement 2 contained in the Notice.

Yours truly,



Chartered Professional Accountants
Licensed Public Accountants

The maximum aggregate number of Common Shares that may be issued pursuant to the exercise of options granted pursuant to the 2016 Stock Option Plan, together with the aggregate number of Common Shares issuable at that time under the Corporation's other security-based compensation arrangements, shall not exceed nine percent (9%) of the outstanding Common Shares of the Corporation at that time. For greater certainty, any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares that may be issued pursuant to options granted under the 2016 Stock Option Plan, any Common Shares subject to an option that expires or terminates without having been fully exercised may be made the subject of a further option, and any exercises of options will make new grants available under the 2016 Stock Option Plan, effectively resulting in a "re-loading" of the number of options available to grant under the 2016 Stock Option Plan. The maximum number of Shares (i) issued to insiders of the Corporation within any one-year period, and (ii) issuable to insiders of the Corporation, at any time, under the 2016 Stock Option Plan, or when combined with all other security-based compensation arrangements of the Corporation, cannot exceed 9% of the outstanding shares, respectively. The equity award value of any grant of options to non-employee directors under the 2016 Stock Option Plan cannot exceed \$100,000 per year per non-employee director and the equity award value of any grant of options to non-employee directors on under the plan and any other security-based compensation arrangements of the Corporation cannot exceed \$150,000 per year per non-employee director in the aggregate. The 2016 Stock Option Plan does not authorize the Corporation to provide financial assistance to participants.

The Board may at any time without shareholder approval amend any provision of the 2016 Stock Option Plan, any terms of any options granted or terminate the 2016 Stock Option Plan, including making amendments relating to the exercise of options (including by the inclusion of a cashless exercise feature), amendments deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws, amendments relating to the administration of the plan or amendments of a clerical or housekeeping nature. Notwithstanding the foregoing, shareholder approval is required to make amendments to: (a) increase the maximum number of Common Shares that may be issued under the 2016 Stock Option Plan or any increase to the insider participation limits, (b) increase the ability of the board to amend the 2016 Stock Option Plan without shareholder approval, (c) increase the limits imposed on non-director employee participation in the plan, (d) reduce the exercise price of any option, (e) extend the term of any option beyond the expiry date, (f) permit transferability or assignability other than for normal estate settlement purposes or (g) add any form of financial assistance to a participant.

At September 30, 2022, options to purchase 220,800 Common Shares (representing approximately 2% of the aggregate number of issued and outstanding Common Shares) were outstanding under all Stock Option Plans. of the aggregate number of issued and outstanding Common Shares) were outstanding under the Stock Option Plan. At December 19, 2022, options to purchase 244,023 Common shares were outstanding, representing 2% of the aggregate number of issued and outstanding Common Shares.

CALIAN GROUP LTD. STOCK OPTION PLAN RESOLUTION

The Shareholders will be asked to pass the following ordinary resolution approving the amended and restated stock option plan (the "**SOP Resolution**"):

WHEREAS:

1. the board of directors of Calian Group Ltd. (the "**Corporation**") adopted on November 9, 2016 a stock option plan (the "**2016 Stock Option Plan**") which does not have a fixed maximum number of common shares issuable;
2. the shareholders of the Corporation approved the 2016 Stock Option Plan, by a majority of votes cast, on February 3, 2017;
3. the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years;

4. on November 24, 2022 the board of directors of the Corporation approved certain amendments to the 2016 Stock Option Plan and approved an amended and restated stock option plan (the "**Amended Stock Option Plan**"), as more particularly described in the Corporation's management information circular dated December 19, 2022;

BE IT RESOLVED THAT:

1. the Amended Stock Option Plan, and the unallocated options under the Amended Stock Option Plan be and are hereby approved;
2. the Corporation has the ability to continue granting options under the Amended Stock Option Plan until February 15, 2026, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of the Calian Group Ltd. 2016 Stock Option Plan is to develop the interest and incentive of eligible employees and directors of the Company and Affiliated Companies in the Company's growth and development by giving eligible employees and directors an opportunity to purchase Common Shares, thereby advancing the interests of the Company, enhancing the value of the Common Shares for the benefit of all shareholders of the Company and increasing the ability of the Company to attract and retain skilled and motivated individuals in the service of the Company.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the following meanings, respectively:

- (a) "**Acquiror**" has the meaning set forth in sub-section 4.9(e) hereof;
- (b) "**Affiliated Company**" means an affiliate of the Company within the meaning of Section 1.3 of NI 45-106;
- (c) "**Associate**" has the meaning set out in Section 2.22 of NI 45-106;
- (d) "**Blackout Period**" means the period during which the Company has imposed trading restrictions on its Insiders;
- (e) "**Board**" means the board of directors of the Company;
- (f) "**Business Day**" means a day that is not a Saturday, Sunday or a statutory or legal holiday in Ottawa, Ontario;
- (g) "**Cause**" means any act, omission or set of circumstances which would permit the Company to terminate the employment of a Participant without notice or pay in lieu of notice pursuant to applicable employment standards or labour standards legislation in the jurisdiction in which the Participant works, as any such legislation may be amended from time to time;

- (h) **“Change in Control”** has the meaning set forth in sub-section 4.9(f) hereof;
- (i) **“Committee”** has the meaning set forth in Section 3.2 hereof;
- (j) **“Common Shares”** means the common shares in the capital of the Company;
- (k) **“Company”** means Calian Group Ltd., and includes any successor of Calian Group Ltd.;
- (l) **“Date of Grant”** means, for any Option, the date upon which the Option was granted; provided that in the case of an Option approved by the Board during a Blackout Period, the Date of Grant shall mean the Business Day after the expiry of such Blackout Period;
- (m) **“Director”** means a member of the Board or a member of the board of directors of an Affiliated Company;
- (n) **“Disabled”** or “Disability” means the permanent and total incapacity of an Optionee as determined in accordance with procedures established by the Board for purposes of this Plan;
- (o) **“Employee Participant”** means a current full-time or part-time employee or contract employee (other than an Executive Participant) of the Company or of an Affiliated Company;
- (p) **“Exchange”** means The Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on The Toronto Stock Exchange, on such stock exchange in Canada on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board;
- (q) **“Executive Participant”** means an officer of the Company or of an Affiliated Company (other than an Employee Participant or a Non-Employee Director);
- (r) **“Exercise Notice”** means a notice in writing, in the form set out in Schedule “B” hereto, signed by an Optionee and stating the Optionee’s intention to exercise a particular Option;
- (s) **“Exercise Price”** means the price at which a Common Share may be purchased pursuant to the exercise of an Option;
- (t) **“Exercise Period”** means the period of time during which an Option granted under this Plan may be exercised (provided, however, that the Exercise Period may not exceed ten (10) years from the relevant Date of Grant);
- (u) **“Holding Entity”** has the meaning set out in Section 2.22 of NI 45-106;
- (v) **“Insider”** means any officer, director or other “insider” as defined by the Toronto Stock Exchange Company Manual, from time to time;
- (w) **“Market Price”** of any Common Share underlying any Option shall be the closing price of a Common Share on the Exchange on the trading day immediately preceding the date on which such Option is granted. In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be determined by the Board in its sole discretion;
- (x) **“NI 45-106”** means National Instrument 45-106 - Prospectus Exemptions, as may be amended or replaced from time to time;
- (y) **“Non-Employee Director”** means a Director who is not an Employee Participant or Executive Participant;
- (z) **“Offer”** has the meaning set forth in sub-section 4.9(e) hereof;

- (aa) **“Option”** means a non-assignable, non-transferable right to purchase Common Shares under this Plan;
- (bb) **“Optionee”** means an Employee Participant, Executive Participant or Non-Employee Director who has been granted one or more Options;
- (cc) **“Option Agreement”** means a signed, written agreement between an Optionee and the Company, in the form attached as Schedule “A” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which an Option has been granted under this Plan;
- (dd) **“Outstanding Issue”** means the number of Common Shares outstanding at the applicable date (on a non-diluted basis);
- (ee) **“Participant”** means an Employee Participant, Executive Participant or Non-Employee Director;
- (ff) **“Person”** includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
- (gg) **“Plan”** means this Calian Group Ltd. Amended and Restated 2016 Stock Option Plan, as may be amended from time to time;
- (hh) **“Retirement”** means retirement from active employment with the Company or an Affiliated Company at or after age 65 or, with the consent for purposes of the Plan of such officer of the Company as may be designated by the Board, at or after such earlier age and upon the completion of such years of service as the Board may specify; and
- (ii) **“Termination Date”** means in the case of an Employee Participant, Executive Participant or Non-Employee Director whose employment or term of office with the Company or an Affiliated Company terminates in the circumstances set out in sub-section 4.7(b) or 4.7(c) hereof, the later of (A) the date that is the last day of any statutory notice period applicable to the Optionee pursuant to applicable employment standards legislation, and (B) the date that is designated by the Company or an Affiliated Company, as the case may be, as the last day of the Optionee’s employment or term of office with the Company or the Affiliated Company, as the case may be, and “Termination Date” specifically does not mean the date on which any period of reasonable notice that the Company or the Affiliated Company (as the case may be) may be required at law to provide to the Optionee, would expire.

2.2 Interpretation

- (a) Whenever the Board or, where applicable, the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term “discretion” means the sole and absolute discretion of the Board or the Committee, as the case may be.
- (b) As used herein, the terms “Article”, “Section”, “sub-section” and “paragraph” mean and refer to the specified Article, Section, sub-section and paragraph hereof, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) In this Plan, a Person is considered to be a “Holding Entity” of another Person if:
 - (i) it is controlled by,

- (A) that other Person, or
- (B) that other and one or more Persons, each of which is controlled by that other Person, or
- (C) two or more Persons, each of which is controlled by that other Person; or
 - (ii) it is a Holding Entity of a Person that is that other Person's Holding Entity.
- (e) In this Plan, a Person is considered to be "controlled" by a Person if:
 - (i) in the case of a Person,
 - (A) voting securities of the first mentioned Person carrying more than fifty percent (50%) of the votes for the election of directors thereof are held, otherwise than by way of security only, by or for the benefit of the other Person, and
 - (B) the votes carried by such securities are entitled, if exercised, to elect a majority of the directors of the first mentioned Person;
 - (ii) in the case of a partnership that does not have directors, other than a limited partnership, the second mentioned Person holds more than fifty percent (50%) of the interests in the partnership; or
 - (iii) in the case of a limited partnership, the general partner is the second mentioned Person.
 - (f) Unless otherwise specified, all references to money amounts are to Canadian currency.

ARTICLE 3 ADMINISTRATION

3.1 Administration

Subject to Section 3.2 hereof, this Plan will be administered by the Board and the Board has sole and complete authority, in its discretion, to:

- (a) determine the individuals (from among the Participants) to whom Options may be granted;
- (b) grant Options in such amounts and, subject to the provisions of this Plan, on such terms and conditions as it determines including:
 - (i) the time or times at which Options may be granted;
 - (ii) the Exercise Price of any Option;
 - (iii) the time or times when an Option becomes exercisable and, subject to Section 4.3 hereof, the duration of the Exercise Period of an Option; and
 - (iv) whether restrictions or limitations are to be imposed on Common Shares that may be purchased pursuant to the exercise of any Option and the nature of such restrictions or limitations, if any;
- (c) interpret this Plan and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan; and

- (d) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

The Board's determinations and actions within its authority under this Plan are conclusive and binding on the Company and all other persons. The day-to-day administration of the Plan may be delegated to such officers and employees of the Company or of an Affiliated Company as the Board may in its sole discretion determine.

3.2 Delegation to Committee

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee (the "Committee") of the Board all or any of the powers conferred on the Board under the Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

3.3 Eligibility

All Employee Participants, Executive Participants and Non-Employee Directors are eligible to participate in the Plan, subject to sub-sections 4.6(b) and 4.7(d) hereof. Eligibility to participate does not confer upon any Participant any right to be granted Options pursuant to the Plan. The extent to which any Participant is entitled to be granted Options pursuant to the Plan will be determined in the sole and absolute discretion of the Board, provided, however, that:

- (a) the maximum number of Shares (i) issued to Insiders of the Company within any one-year period, and (ii) issuable to Insiders of the Company, at any time, under the Plan, or when combined with all other security-based compensation arrangements of the Company, cannot exceed 9% of the Outstanding Issue, respectively; and
- b) the equity award value of any grant of Options to Non-Employee Directors under the Plan shall not exceed \$100,000 per year per Non-Employee Director, and the equity award value of any grant of Options to Non-Employee Directors under the Plan and any other security-based compensation arrangements of the Company shall not exceed \$150,000 per year per Non-Employee Director in the aggregate.

3.4 Total Common Shares Subject to Options

- (a) The aggregate number of Common Shares that may be issued pursuant to the exercise of Options under this Plan, together with the aggregate number of Common Shares issuable under any other security based compensation arrangements of the Company, shall not exceed nine percent (9%) of the Outstanding Issue from time to time when taken together with all other security-based compensation arrangements of the Company, subject to adjustment as provided in Article 5 of the Plan. No Option may be granted if such grant would have the effect of causing the total number of Common Shares subject to Options under this Plan, together with the aggregate number of Common Shares issuable under any other security based compensation arrangements of the Company, to exceed nine percent (9%) of the Outstanding Issue at such time.
- (b) For greater certainty, any increase in the issued and outstanding Shares will result in an increase in the available number of Shares that may be issued pursuant to Options granted under the Plan, any Shares subject to an Option that expires or terminates without having been fully exercised may be made the subject of a further Option, and any exercises of Options, will make new grants available under the Plan, effectively resulting in a "re-loading" of the number of Options available to grant under the Plan.

3.5 Option Agreements

All grants of Options under Section 4.1 hereof shall be evidenced by Option Agreements. Such Option Agreements will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Board may direct. Any one proper officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, an Option Agreement to each Optionee.

3.6 Transferability

Options may not be transferred, assigned or pledged in any manner other than by will or applicable laws of descent and distribution.

ARTICLE 4 GRANT OF OPTIONS

4.1 Grant of Options

The Board may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, grant Options to any Participant. Without limiting the generality of the foregoing, Options may be granted by the Board from time to time during a Blackout Period, provided that in no event shall such Options be exercisable until after the Exercise Price applicable to such Options is fixed by the Board in accordance with Section 4.2. In the event an Option is granted by the Board during a Blackout Period, the Date of Grant for such Options shall be deemed to be the Business Day following the end of such Blackout Period, and the Company shall provide all required information to the Exchange in respect of such grant. For greater certainty, where a second Blackout Period begins before the effective Date of Grant of Options granted during a Blackout Period, pricing and granting shall follow in the manner otherwise set forth herein the end of the second Blackout Period.

4.2 Exercise Price

The purchase price of Common Shares purchasable under any Option shall be the five-day volume weighted average trading price of the Common Shares on the Exchange on the five Business Days ending with the Business Day prior to the Date of Grant, calculated in accordance with the rules of the Exchange.

4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option, unless otherwise specified by the Board, expires on the tenth anniversary of the Date of Grant, provided that in no event will the Exercise Period of an Option exceed ten (10) years from its Date of Grant. Notwithstanding the foregoing, should the expiry date of any vested Option fall during or within nine (9) Business Days of the expiration of a Blackout Period, then the expiry date of such Option shall instead be ten Business Days following the date the relevant Blackout Period is lifted, terminated or removed.

4.4 Exercise Period

Unless otherwise specified by the Board at the time of granting an Option and except as otherwise provided in this Plan, each Option will vest and be exercisable as follows:

- (a) one third of the Common Shares issuable pursuant to the exercise of an Option shall vest and may be purchased by way of the exercise of such Option on the first anniversary of the Date of Grant thereof;
- (b) an additional one third of the Common Shares issuable pursuant to the exercise of an Option shall vest and may be purchased by way of the exercise of such Option on the second anniversary of the Date of Grant thereof; and
- (c) the remaining one third of the Common Shares issuable pursuant to the exercise of an Option shall vest and may be purchased by way of the exercise of such Option on the third anniversary of the Date of Grant thereof.

Once a portion of an Option vests and becomes exercisable, it shall remain exercisable until expiration or termination of such Option, unless otherwise specified by the Board in connection with the grant of such Option or pursuant to Section 4.9 hereof with respect to a change in control of the Company. Each Option or portion thereof may be exercised at any time or from time to time, in whole or in part, for up to the total number of Common Shares with respect to which it is then exercisable. The Board may accelerate the date upon which any instalment of any Option becomes exercisable.

Notwithstanding the foregoing or the Exercise Period set out in any Option Agreement, if an Option would otherwise expire during or within nine (9) Business Days of the expiration of a Blackout Period, then the Exercise Period shall be extended until ten (10) Business Days following the expiration of the Blackout Period, provided that no Exercise Period shall be extended beyond ten (10) years from the Date of Grant.

Subject to the provisions of this Plan and any Option Agreement, Options may be exercised by means of a fully completed Exercise Notice delivered to the Company together with payment therefor.

4.5 Payment of Exercise Price

An Exercise Notice must be accompanied by payment in full of the purchase price for the Common Shares to be purchased thereby. Such Exercise Price must be fully paid in cash, or by certified cheque, bank draft or money order payable to the Company or by such other means as might be specified from time to time by the Board. No Common Shares will be issued pursuant to the exercise of any Option until full payment therefor has been received by the Company. Subject to Section 4.10 hereof, as soon as practicable after receipt of any Exercise Notice and full payment, the Company will deliver to the Optionee a certificate or certificates representing the acquired Common Shares.

4.6 Retirement, Death or Disability of Optionee

If an Employee Participant, an Executive Participant or a Non-Employee Director dies or becomes Disabled while an employee, director or officer of the Company or an Affiliated Company or if the employment or term of office of the Optionee with the Company or an Affiliated Company terminates due to Retirement, then:

- (a) In the case of death or Disability, the executor, administrator or other legal representative of the Optionee's estate or the Optionee, as the case may be, may exercise any Options of the Optionee to the extent that such Options were exercisable at the date of such death or Disability and the right to exercise such Options shall terminate on the earlier of (i) the date that is one hundred and eighty (180) days from the date of the Optionee's death or Disability and (ii) the date on which the Exercise Period of the particular Option expires. Any Options held by the Optionee that were not exercisable at the date of death or Disability shall immediately expire and be cancelled on such date;
- (b) in the event of Retirement, the Optionee may exercise any Options of the Optionee to the extent that such Options were exercisable at the date of such Retirement and the right to exercise such Options shall terminate on the earlier of (i) the date that is eighteen (18) months from the date of the Optionee's Retirement and (ii) the date on which the Exercise Period of the particular Option expires. Any Options held by the Optionee that were not exercisable at the date of Retirement shall immediately expire and be cancelled on such date; and
- (c) such Optionee's eligibility to receive further grants of Options under the Plan shall cease as of the date of the Optionee's death, Disability or Retirement, as the case may be.

4.7 Termination of Employment or Services

- (a) Where an Optionee's employment or term of office with the Company or an Affiliated Company ceases by reason of the Optionee's death, Disability or Retirement, then the provisions of Section 4.6 hereof shall apply.
- (b) Where an Optionee's employment or term of office terminates by reason of (i) termination by the Company or an Affiliated Company without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) or (ii) voluntary resignation by such Optionee, then any Options held by such Optionee that are exercisable at the Termination Date shall continue to be exercisable by such Optionee until the earlier of (A) the date that is thirty (30) days following the Termination Date and (B) the date on which the Exercise Period of the particular Option expires. Any Options held by such Optionee that are not exercisable at the Termination Date shall immediately expire and be cancelled on the Termination Date.
- (c) Where an Optionee's employment or term of office is terminated by the Company or an Affiliated Company for Cause, then any Options held by such Optionee, whether or not exercisable at the Termination Date, shall expire and be cancelled upon the earlier of (A) the date that is thirty (30) days following the Termination Date and (B) the date on which the Exercise Period of the particular Option expires.
- (d) An Optionee's eligibility to receive further grants of Options under the Plan shall cease as of the date that the Company or an Affiliated Company, as the case may be, provides such Optionee with written notification that such Optionee's employment or term of office, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date.
- (e) Unless the Board, in its discretion, otherwise determines, at any time and from time to time, Options shall not be affected by any change of employment within or among the Company or an Affiliated Company for so long as an Employee Participant continues to be an employee of the Company or an Affiliated Company, or for so long as an Executive Participant continues to be an officer of the Company or an Affiliated Company, or for so long as a Non-Employee Director continues to be a Director, as the case may be.

4.8 Discretion to Permit Exercise

Notwithstanding the provisions of Sections 4.6 and 4.7 hereof, the Board may, in its discretion, at any time prior to or following the events contemplated in such sections, permit the exercise of any or all Options held by an Optionee in the manner and on the terms authorized by the Board, provided that the Board shall not, in any case, authorize the exercise of an Option pursuant to this Section 4.8 beyond the expiration of the Exercise Period of the particular Option.

4.9 Change in Control

- (a) Notwithstanding anything else in this Plan or contained in any Option Agreement, the Board shall have the right to provide for the conversion or exchange of any outstanding Options into or for options, rights or other securities in any entity participating in or resulting from a "Change in Control" (as defined below).
- (b) Upon the Company entering into an agreement relating to and publicly announcing a transaction which, if completed, would result in a Change in Control, the Company shall give written notice of the proposed Change in Control to each Optionee, together with a description of the effect of such Change in Control on outstanding Options, not less than ten (10) Business Days prior to the closing of the transaction resulting in the Change in Control.
- (c) Notwithstanding the conditions as to vesting of any outstanding Options contained in any individual Option Agreement, all outstanding Options of a particular Optionee shall automatically and irrevocably vest in full, notwithstanding Section 4.4 hereof or any Option Agreement, upon the occurrence of both of the following: (a) any

Change in Control and, (b) if at any time within one year from the date of such Change in Control the Optionee's relationship with the Company is terminated; provided, however, that the Board shall not, in any case, authorize the exercise of Options pursuant to this section beyond the Expiry Date of such Options.

- (d) To the extent that the Change in Control would also result in a capital reorganization, arrangement, amalgamation or reclassification of the share capital of the Company, the Company shall make adequate provisions to ensure that, upon completion of the proposed Change in Control, the number and kind of shares subject to outstanding Options and/or the Exercise Price per share of Options shall be appropriately adjusted in such manner as the Board considers equitable to prevent substantial dilution or enlargement of the rights granted to Optionees.
- (e) If any individual, corporation or other entity (an "Acquiror") makes an offer to purchase all of the outstanding Common Shares (together with any outstanding shares of any other class or series)(an "Offer") and the Offer is approved by the Board and is either:
 - (i) if conducted by way of a voting transaction, approved by holders of Common Shares in accordance with the Canada Business Corporations Act,
 - (ii) if a conducted by way of a take-over bid, accepted by holders of at least two-thirds of the Outstanding Issue, in either case excluding for this purpose those shareholders who acquired their Common Shares solely pursuant to the exercise of Options granted under the Plan ("Option Shareholders"), such Option Shareholders shall be required to sell all Common Shares which they have acquired or acquire pursuant to the exercise of any Options to the Acquiror on the same terms and conditions as set out in the Offer.
- (f) For purposes of this Section 4.9, a "Change in Control" means the happening of any of the following events: (i) any transaction pursuant to which (A) the Company goes out of existence or (B) any Person, or any Associate or Affiliated Company of such Person, (other than: the Company, a subsidiary of the Company or an employee benefit plan of the Company (including any trustee of such plan acting as trustee)) hereafter acquires the direct or indirect "beneficial ownership" (as such term is defined in the Canada Business Corporations Act) of securities of the Company representing more than 50% of the aggregate voting power of all of the Company's then issued and outstanding securities; (ii) the sale of all or substantially all of the Company's assets to a Person other than a Person that was an Affiliated Company; (iii) the dissolution or liquidation of the Company except in connection with the distribution of assets of the Company to one or more Persons which were Affiliated Companies prior to such event; or (iv) the occurrence of a transaction requiring approval of the Company's shareholders involving the acquisition of the Company by an entity through purchase of assets, by amalgamation, plan of arrangement or otherwise.

4.10 Conditions of Exercise

Each Optionee shall, when requested by the Company, sign and deliver all such documents relating to the granting or exercise of Options which the Company deems necessary or desirable.

ARTICLE 5 SHARE CAPITAL ADJUSTMENTS

5.1 General

The existence of any Options shall not affect in any way the right or power of the Company or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company, to create or issue any bonds, debentures, Common Shares or other securities of the Company or to determine the rights and conditions attaching thereto, to

effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Section 5.1 would have an adverse effect on this Plan or any Option granted hereunder.

5.2 Reorganization of Company's Capital

Should the Company effect a subdivision or consolidation of Common Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Company that, in the opinion of the Board, would warrant the replacement of any existing Options in order to adjust (a) the number of Common Shares that may be acquired on the exercise of any outstanding Options and/or (b) the Exercise Price of any outstanding Options in order to preserve proportionately the rights and obligations of the Optionees, the Board shall authorize such steps to be taken as may be equitable and appropriate thereto.

5.3 Other Events Affecting the Company

In the event of an amalgamation, combination, merger or other reorganization involving the Company by exchange of Common Shares, by sale or lease of assets or otherwise, that, in the opinion of the Board, warrants the replacement of any existing Options in order to adjust (a) the number of Common Shares that may be acquired on the exercise of any outstanding Options or (b) the Exercise Price of any outstanding Options in order to preserve proportionately the rights and obligations of the Optionees, the Board shall authorize such steps to be taken as may be equitable and appropriate thereto.

5.4 Immediate Exercise of Options

Where the Board determines that the steps provided in Sections 5.2 and 5.3 hereof would not preserve proportionately the rights and obligations of the Optionees in the circumstances or otherwise determines that it is appropriate, the Board may permit the immediate exercise of any outstanding Options that are not otherwise exercisable.

5.5 Issue by Company of Additional Common Shares

Except as expressly provided in this Article 5, neither the issue by the Company of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, shall affect, and no adjustment by reason thereof shall be made with respect to (a) the number of Common Shares that may be acquired on the exercise of any outstanding Options or (b) the Exercise Price of any outstanding Options.

5.6 Fractions

No fractional Common Shares will be issued on the exercise of an Option. Accordingly, if, as a result of any adjustment under Sections 5.2 to 5.4 hereof inclusive, an Optionee would become entitled to a fractional Common Share, such Optionee shall have the right to acquire only the adjusted number of full Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares so disregarded.

5.7 Conditions of Exercise

The Plan and each Option are subject to the requirement that if at any time the Board determines that the listing, registration or qualification of the Common Shares subject to such Option upon any stock exchange or under any provincial, state or federal law, or that the consent or approval of any governmental body, stock exchange or of the holders of the Common Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Option or the issue or purchase of Common Shares thereunder, no such Option may be granted or exercised in whole or in part unless such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board. The Optionees shall, to the extent applicable, cooperate with the Company in relation to such registration, qualification or other approval and shall have no claim or cause of action against the Company or any of its officers or directors as a result of any failure by the Company to obtain or to take any steps to obtain any such registration, qualification or approval.

ARTICLE 6 MISCELLANEOUS PROVISIONS

6.1 Legal Requirement

The Company is not obligated to grant any Options, issue any Common Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its sole discretion, such action would constitute a violation by an Optionee or the Company of any provision of any applicable statutory or regulatory enactment of any government or government agency.

6.2 Optionee's Entitlement

Except as otherwise provided in this Plan, Options previously granted under this Plan, whether or not then exercisable, are not affected by any change in the relationship between, or ownership of, the Company and an Affiliated Company. For greater certainty, all Options remain valid and exercisable in accordance with the terms and conditions of this Plan and are not affected by reason only that, at any time, an Affiliated Company ceases to be an Affiliated Company.

6.3 Withholding Taxes

The exercise of each Option granted under this Plan is subject to the condition that if at any time the Company determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Company. In such circumstances, the Company may require that an Optionee pay to the Company, in addition to and in the same manner as the Exercise Price for the Common Shares, such amount as the Company is obliged to remit to the relevant taxing authority in respect of the exercise of the Option. Any such additional payment is due at the time of exercise.

6.4 Rights of Participant/Optionee

No Participant has any claim or right to be granted an Option (including, without limitation, an Option granted in substitution for any Option that has expired pursuant to the terms of this Plan), and the granting of any Option is not to be construed as giving an Optionee a right to remain in the employ of the Company or an Affiliated Company. No Optionee has any rights as a shareholder of the Company in respect of Common Shares issuable on the exercise of rights to acquire Common Shares under any Option until the allotment and issuance to the Optionee of certificates representing such Common Shares.

6.5 Compliance with Stock Exchange

The Board may make changes to the terms of the Options or the Plan to the extent necessary or desirable to comply with any rules, regulations or policies of the Exchange, provided that the value of previously granted Options and the rights of Optionees are not materially adversely affected by any such changes.

6.6 Termination and Amendment

- (a) Subject to Section 6.6(b) below, the Board may at any time, and from time to time, and without Shareholder approval amend any provision of the Plan, or the terms of any Options granted, or terminate the Plan, subject to any applicable regulatory or Exchange requirements or approvals at the time of such amendment or termination, including, without limitation, making amendments:
 - (i) to Section 4.5 relating to the exercise of Options, including by the inclusion of a cashless exercise feature whereby payment is in cash or Shares or otherwise;
 - (ii) deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws;
 - (iii) to Section 3.1 relating to the administration of the Plan; or

- (iv) of a “clerical” or “housekeeping” nature and amendments to ensure that the Options granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which an Eligible Person may from time to time be resident or a citizen.
- (b) Notwithstanding Section 6.6(a), the Board shall not be permitted to amend the following without first having obtained the approval of a majority of the holders of the Shares voting at a duly called and held meeting of Shareholders (and, in the case of an amendment to Section 3.3 so as to increase the Insider participation limits, approval of a majority of the Shareholders voting at a duly called and held meeting of Shareholders excluding shares voted by Insiders who are Eligible Persons):
 - (i) Section 3.4(a) in order to increase the maximum number of Shares which may be issued under the Plan or Section 3.3 so as to increase the Insider participation limits;
 - (ii) Section 3.1 or this Section 6.6 so as to increase the ability of the Board to amend the Plan without Shareholder approval;
 - (iii) any amendments that increase limits imposed on Non-Employee Director participation in the Plan;
 - (iv) a reduction in the Exercise Price (for this purpose, a cancellation or termination of an Option of a Participant prior to its expiry for the purpose of re-issuing Options to the same Participant with a lower Exercise Price shall be treated as an amendment to reduce the Exercise Price of an Option);
 - (v) any amendment that would extend the term of any Option granted under the Plan beyond the Expiry Date;
 - (vi) Section 3.6 to permit Options granted under the Plan to be transferable or assignable other than for normal estate settlement purposes; or
 - (vii) the addition of any form of financial assistance to a Participant.
- (d) Any amendment or termination of an Option shall not materially and adversely alter the terms or conditions of any Option or materially and adversely impair any right of any Participant under any Option granted before the date of any such amendment or termination without the consent of such Participant, except as otherwise required by law or as provided in the Plan.
- (e) If the Plan is terminated, the provisions of the Plan and any administrative guidelines, and other rules adopted by the Board and in force at such time, will continue in effect as long as any Options under the Plan or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or Options it would be entitled to make if the Plan were still in effect.

6.7 Indemnification

Every Director will at all times be indemnified and saved harmless by the Company from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such Director may sustain or incur by reason of any action, suit or proceeding, taken or threatened against the Director, otherwise than by the Company, for or in respect of any act done or omitted by the Director in respect of this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgement rendered therein.

6.8 Quebec Stock Savings Plan

If the Common Shares qualify in any period for purposes of a stock savings plan under the Taxation Act (Quebec) (the “Quebec Act”), the Company shall so notify all Quebec resident Employee Participants, Executive Participants or Non-Employee Director who are officers of the Company or of an Affiliated Company, whereupon any such Participant who wishes to deposit pursuant to the Quebec Act some or all of the Common Shares to be issued to them under the Plan in such period shall so indicate in the Exercise Notice.

6.9 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment nor a commitment on the part of the Company to ensure the continued employment of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Common Shares. The Company does not assume responsibility for the income or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

6.10 Sub-Plans

The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities or tax laws of various jurisdictions. The Board shall establish such sub plans by adopting supplements to this Plan containing (a) such limitations on the Board’s discretion under the Plan as the Board deems necessary or desirable or (b) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Corporation shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

6.11 Effective Date

This Plan becomes effective on a date to be determined by the Board.

6.12 Governing Law

This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Date of original adoption: February 3, 2017

Date of amendment and restatement: _____, 2023.

CALIAN GROUP LTD.

Per: _____
Chief Executive Officer

APPENDIX D

RESTRICTED SHARE UNIT PLAN

OVERVIEW OF THE PLAN

On February 6, 2020, the shareholders re-approved and confirmed the 2016 Restricted Share Unit Plan. The 2016 Restricted Share Unit Plan allows for the grant of RSUs to the Corporation's officers and employees.

The maximum aggregate number of Common Shares issuable from treasury by the Corporation pursuant to the 2016 Restricted Share Unit Plan at any time, together with the aggregate number of Common Shares issuable at that time under the Corporation's other security-based compensation arrangements, shall not exceed nine percent (9%) of the outstanding Common Shares of the Corporation at that time.

The Board is responsible for administering the 2016 Restricted Share Unit Plan. Subject to the terms of the 2016 Restricted Share Unit Plan, the Corporation may from time to time award to any eligible person a number of RSUs deemed appropriate in respect of services rendered to the Corporation by such person. RSUs shall consist of an award of units, each of which represents the right to receive one Common Share or, in the discretion of the Board, a cash payment equal to the fair market value of such share. The Board has the discretion to determine the date upon which each RSU vests or any other vesting requirements provided, however, that each awarded RSU shall vest not later than the third anniversary of its award date. Unless otherwise determined by the Board at the time of award of an RSU, one third of each award of RSUs will vest on the first, second and third anniversaries of the award date.

The Board has overall authority for interpreting, applying, amending and terminating the 2016 Restricted Share Unit Plan; provided that subject to any additional requirements of the rules of the TSX, the following amendments to the 2016 Restricted Share Unit Plan or RSUs issued thereunder shall not be made without the prior approval of the TSX and approval of the Shareholders: i) other than customary adjustments resulting from certain corporate changes, amendments to the 2016 Restricted Share Unit Plan that would increase the percentage of Common Shares issuable under the 2016 Restricted Share Unit Plan, ii) any amendment that would increase the number of Common Shares issuable to insiders under the 2016 Restricted Share Unit Plan, iii) any amendment that would change the eligible participants in the plan to permit the introduction of non-employee directors on a discretionary basis; and iv) amendments to amending provision of the 2016 Restricted Share Unit Plan. The maximum number of Common Shares (i) issued to insiders of the Corporation within any one year period, or (ii) issuable to insiders of the Corporation, at any time, under the 2016 Restricted Share Unit Plan, or when combined with all other security-based compensation arrangements of the Corporation, cannot exceed nine percent (9%) of the Corporation's total issued and outstanding Common Shares as at the applicable award date, respectively.

Certain amendments to the 2016 Restricted Share Unit Plan may be made by the Board without TSX or other stock exchange approval and without shareholder approval including but not limited to the following: 1) making any amendments to the vesting provisions of each RSU set out in any RSU agreement; ii) making any amendments to the provisions set out in Section 3.8 of the 2016 Restricted Share Unit Plan; iii) making any amendments to add covenants of the Corporation for the protection of participants in the plan, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of Participants; iv) making any amendments not inconsistent with the 2016 Restricted Share Unit Plan as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the Board, having in mind the best interests of the participants in the plan, it may be expedient to make, provided that the Board shall be of the opinion that such amendments will not be prejudicial to the interests of the participants; or v) making any such changes or corrections which, on the advice of counsel to the Corporation, are required for the purposes of curing or correcting any ambiguity or defect or

inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or correction will not be prejudicial to the rights and interests of the participants in the plan.

Holders of RSUs will be entitled to modified vesting on certain events, including termination of service without cause or by reason of death. All unvested RSUs terminate if a holder's employment or service terminates by reason of termination for cause. Subject to obtaining any requisite approval from the TSX or other regulatory authority, our Board may take any one or more actions relating to RSUs including, without limitation, accelerating vesting or providing for the conversion or exchange of any outstanding RSUs into or for RSUs or any other appropriate securities in any entity participating in or resulting from, a change of control transaction. Except as required by law, the rights of a participant under the 2016 Restricted Share Unit Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the participant.

At September 30, 2021, 56,287 RSUs (representing approximately 0.4% of the aggregate number of issued and outstanding Common Shares) were outstanding under the 2019 Restricted Share Unit Plan. At December 19, 2022, 44,468 RSUs (representing approximately 0.4% of the aggregate number of issued and outstanding Common Shares) were outstanding under the 2016 Restricted Share Unit Plan.

Burn Rate

Burn rate is defined as the total number of equity awards issued in a year, divided by the weighted average number of shares outstanding in the fiscal year. The table below summarizes the burn rates for the stock option, the restricted share unit, and the deferred share unit plans as of September 30 of each year:

Burn rates	2022	2021	2020
Stock Option Plan	0.36%	0.28%	1.47%
Restricted Share Unit Plan	0.33%	0.19%	0.25%
Deferred Share Unit Plan	0.03%	0.03%	0.04%

CALIAN GROUP LTD.

RESTRICTED SHARE UNIT PLAN RESOLUTION

The Shareholders will be asked to pass the following ordinary resolution approving the amended and restated restricted share unit plan (the "**RSUP Resolution**"):

WHEREAS:

- the board of directors of Calian Group Ltd. (the "**Corporation**") adopted on November 9, 2016 a restricted share unit plan (the "**2016 Restricted Share Unit Plan**") which does not have a fixed maximum number of common shares issuable;
- the shareholders of the Corporation approved the 2016 Restricted Share Unit, by a majority of votes cast, on February 3, 2017;

3. the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years;
4. on November 24, 2022 the board of directors of the Corporation approved certain amendments to the 2016 Restricted Share Unit Plan and approved an amended and restated restricted share unit plan (the "**Amended RSU Plan**"), as more particularly described in the Corporation's management information circular dated December 19, 2022;

BE IT RESOLVED THAT:

1. the Amended RSU Plan, and the unallocated options under the Amended RSU Plan be and are hereby approved;
2. the Corporation has the ability to continue granting options under the Amended RSU Plan until February 15, 2026, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought; and
3. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

AMENDED AND RESTATED RESTRICTED SHARE UNIT PLAN

1. INTRODUCTION

1.1 Purpose

The Amended and Restated Restricted Share Unit Plan of Calian Group Ltd. (the "Corporation") has been established to enhance the Corporation's ability to provide eligible officers and employees of the Corporation and its Subsidiaries with the opportunity to receive restricted share units in order to allow them to participate in the Corporation's long-term success and to promote a greater alignment of interests between the Corporation, its officers, employees and shareholders.

1.2 Definitions

For purposes of the Plan:

- (a) "Account" means the account set up on behalf of each Participant in accordance with Section 3.6;
- (b) "Act" means the Securities Act (Ontario) as amended from time to time;
- (c) "Affiliated Company" has the meaning ascribed thereto in the Act;
- (d) "Applicable Withholding Taxes" has the meaning set forth in Section 2.3 of the Plan;
- (e) "Associate" has the meaning ascribed thereto in the Act;
- (f) "Award Date" means the date on which an RSU is awarded by the Board to an Eligible Person or such other date as may be specified by the Board at the time of the authorization of any such RSU award;
- (g) "Board" means the Board of Directors of the Corporation;

- (h) "Cause" means any act, omission or set of circumstances which would permit the Corporation to terminate the employment of a Participant without notice or pay in lieu of notice pursuant to applicable employment standards or labour standards legislation in the jurisdiction in which the Participant works, as any such legislation may be amended from time to time;
- (i) "Change of Control" shall mean the happening of any of the following events: (i) any transaction pursuant to which (A) the Corporation goes out of existence or (B) any Person, or any Associate or Affiliated Company of such Person, (other than: the Corporation, a subsidiary of the Corporation or an employee benefit plan of the Corporation (including any trustee of such plan acting as trustee)) hereafter acquires the direct or indirect "beneficial ownership" (as such term is defined in the Canada Business Corporations Act) of securities of the Corporation representing more than 50% of the aggregate voting power of all of the Corporation's then issued and outstanding securities; (ii) the sale of all or substantially all of the Corporation's assets to a Person other than a Person that was an Affiliated Company of the Corporation; (iii) the dissolution or liquidation of the Corporation except in connection with the distribution of assets of the Corporation to one or more Persons which were Affiliated Companies of the Corporation prior to such event; or (iv) the occurrence of a transaction requiring approval of the Corporation's shareholders involving the acquisition of the Corporation by an entity through purchase of assets, by amalgamation, plan of arrangement or otherwise;
- (j) "Committee" means the committee of the Board responsible for recommending to the Board the compensation of Eligible Persons, which at the effective date of the Plan is the Compensation Committee;
- (k) "Corporation" means Calian Group Ltd. and its successors and assigns;
- (l) "Eligible Person" means, at any Award Date, any officer or employee of the Corporation or its direct and indirect subsidiaries;
- (m) "Fair Market Value" means, with respect to each vested RSU on the relevant Vesting Date, the closing price per Share on the TSX on the trading date immediately preceding such Vesting Date, provided, however, that if the Shares are not listed and posted for trading on the TSX on such Vesting Date, the Fair Market Value shall be determined by the Board, acting reasonably, in its sole discretion.
- (n) "Incentive Plan" means any stock option plan (including the Stock Option Plan), employee stock purchase plan, deferred stock unit plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- (o) "Insider" has the meaning ascribed thereto in the TSX Corporation Manual;
- (p) "Participant" means an Eligible Person to whom RSUs have been awarded;
- (q) "Person" means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
- (r) "Plan" means this Amended and Restated Restricted Share Unit Plan as amended from time to time;
- (s) "Regulatory Approval" means the approval of the TSX or any other regulatory authority or governmental agency having lawful jurisdiction over the Plan and/or any RSUs awarded hereunder;
- (t) "Restricted Share Unit" or "RSU" means a unit awarded to a Participant that gives such Participant the right to receive, on the basis set out in the Plan, either a Share or the cash equivalent value of a Share;

- (u) "RSU Agreement" means an agreement, substantially in the form of the agreement set out in Schedule A hereto subject to any specific variations approved by the Board, between the Corporation and a Participant setting out the terms of the RSUs awarded to such Participant;
- (v) "Share" means a common share of the Corporation;
- (w) "Stock Option Plan" means the Corporation's stock option plan in effect as of the date hereof as same may amended from time to time;
- (x) "Subsidiary" shall have the meaning ascribed thereto in the Act;
- (y) "TSX" means the Toronto Stock Exchange; and
- (z) "Vesting Date" means the date on which the RSUs of a Participant vest in accordance with Section 3.1(c) and the terms of the Participant's particular RSU Agreement.

1.3 Effective Date of the Plan

The effective date of the Plan shall be November 9, 2016. The Board shall review and confirm the terms of the Plan from time to time.

2. ADMINISTRATION

2.1 Authority of the Board

The Board shall be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Subject to the provisions of the Plan, without limiting the generality of the foregoing, the Board has the power and authority to:

- (a) determine which Eligible Persons are to be awarded RSUs and the number of RSUs to be awarded to those Eligible Persons;
- (b) determine the terms under which such RSUs are awarded including, without limitation, those related to transferability, vesting and forfeiture;
- (c) prescribe the form of RSU Agreement with respect to a particular award of RSUs;
- (d) interpret the Plan and determine all questions arising out of the Plan and any RSUs awarded pursuant to the Plan, which interpretations and determinations will be conclusive and binding on the Corporation and all other affected Persons;
- (e) determine whether a Participant is to be issued a Share or a cash payment equal to the Fair Market Value of such Share in satisfaction of each RSU;
- (f) prescribe, amend and rescind rules and procedures relating to the Plan;
- (g) subject to such additional limitations and restrictions as the Board may impose, delegate to the Committee some or all of its authority under the Plan pursuant to Section 2.2; and/or
- (h) employ such legal counsel, independent auditors, third party service providers and consultants as it deems desirable for the administration of the Plan and to rely upon any opinion or computation received therefrom.

The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Corporation and all other Persons, including, in particular and without limitation, the Participants.

2.2 Use of Committees

The Board may delegate all or such portion of its powers under this Plan as it may determine to the Committee, either indefinitely or for such period of time as it may specify. Thereafter the Committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorised so to do. If such the Committee is appointed for this purpose, all references herein to the Board will be deemed to be references to the Committee.

2.3 Taxes and Other Source Deductions

So as to ensure that the Corporation will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, the Corporation shall be authorized to deduct from any amount payable to a Participant, either under this Plan or otherwise, such amount of taxes and other amounts as it may be required by law to withhold pursuant to applicable laws, in such manner as it determines (the "Applicable Withholding Taxes"). The Corporation may require a Participant, as a condition to the settlement of any RSU, to pay or reimburse the Corporation for any Applicable Withholding Taxes. The Corporation shall also have the right in its discretion to satisfy any such liability for Applicable Withholding Taxes or other required deduction amounts by selling or requiring a Participant to sell Shares which would otherwise be delivered or provided to the Participant hereunder.

2.4 Information

Each Participant shall provide the Corporation with all information that the Corporation requires in order to administer the Plan.

2.5 Exemption from Plan Participation

Notwithstanding any other provision of the Plan, if an Eligible Person is resident in a jurisdiction in which the award of RSUs hereunder might be considered to be income which is subject to taxation at the time of such award, such Eligible Person may elect not to participate in the Plan by providing a written notice to the Corporate Secretary of the Corporation.

3. AWARD OF RSUs

3.1 Award and Vesting of RSUs

- (a) Subject to the terms of the Plan, the Board may from time to time award to any Eligible Person the number of RSUs the Board deems appropriate in respect of services rendered to the Corporation or a direct or indirect subsidiary of the Corporation by such Eligible Person.
- (b) RSUs shall consist of an award of units, each of which represents the right of the Participant to receive one (1) Share subject to the terms and conditions contained herein and such additional terms and conditions as the Board deems appropriate, consistent with applicable laws.
- (c) The Board shall have the discretion to determine the date(s) upon which each RSU vests under the Plan (each, a "Vesting Date") or any other vesting requirements, which Vesting Dates and other vesting requirements shall be set forth in the applicable RSU Agreement provided, however, that each awarded RSU shall vest not later than the third anniversary of its Award Date. Unless otherwise determined by the Board at or after the applicable Award Date, RSUs awarded pursuant to this Plan shall vest as follows:

- a. one-third of each award of RSUs shall vest on the first anniversary of its Award Date;
- b. one-third of each award of RSUs shall vest on the second anniversary of its Award Date; and
- c. one-third of each award of RSUs shall vest on the third anniversary of its Award Date.

3.2 RSU Agreement

Upon the award of RSUs, the Corporation will deliver to any Eligible Person an RSU Agreement dated as of its Award Date, containing the terms of the RSUs and executed by the Corporation. Upon return to the Corporation of the RSU Agreement countersigned by the Eligible Person, such Eligible Person will be a Participant in the Plan and have the right to receive Shares and/or a cash payment equal to the Fair Market Value of any such Share in satisfaction of each vested RSU on the terms set out in the RSU Agreement and in the Plan. Subject to any specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of each RSU Agreement made hereunder.

3.3 Shares Reserved

The maximum number of Shares which may be made subject to issuance under RSUs awarded under this Plan shall not exceed nine percent (9%) of the Shares issued and outstanding from time to time when taken together with all other security-based compensation arrangements of the Corporation. For greater certainty, any increase in the issued and outstanding Shares will result in an increase in the available number of Shares that may be issued pursuant to RSUs awarded under this Plan, any Shares issuable pursuant to an RSU that terminates without vesting may be made the subject of a further RSU grant, and each fully vested RSU will make new grants available under the Plan, effectively resulting in a "re-loading" of the number of RSUs available to grant under the Plan.

3.4 Limitations

The maximum number of Shares (i) issued to Insiders of the Corporation within any one year period, or (ii) issuable to Insiders of the Corporation, at any time, under the Plan, or when combined with all other security-based compensation arrangements of the Corporation, cannot exceed nine percent (9%) of the Corporation's total issued and outstanding Shares as at the applicable Award Date, respectively.

3.5 Change of Control

Notwithstanding the conditions as to vesting of RSUs contained in any individual RSU Agreement, all outstanding RSUs of a particular Participant shall automatically and irrevocably vest in full, notwithstanding any Vesting Date(s) described in any RSU Agreements, upon the occurrence of both of the following: (a) any Change of Control and, (b) if at any time within one year from the date of such Change of Control the Participant's relationship with the Corporation is terminated. Further, the Board shall have the right to provide for the conversion or exchange of any outstanding RSUs into or for RSUs or any other appropriate securities in any entity participating in or resulting from the Change of Control; provided, however, that any such converted or exchanged RSUs shall vest no later than the third anniversary of their original applicable Award Date other than in circumstances where such later vesting date would not, in the opinion of the Board acting reasonably, lead to material adverse tax consequences for the applicable Participant(s). In addition, and notwithstanding Section 4.1, the Board shall have the right to determine, at its discretion, that outstanding RSUs shall not vest and shall, instead, be cancelled in the event of a Change of Control.

3.6 Participant's Account

The Corporation shall maintain an account for each Participant (the "Account") and, upon the award of RSUs to a Participant, the Board shall cause the Participant's Account to be credited with the number of RSUs so awarded. If any RSU held by a Participant should fail to vest or should vest and be satisfied by delivery of a Share to the applicable Participant, then such RSU shall be cancelled from such Participant's Account.

3.7 Vested RSUs

The Board may determine, in its sole and absolute discretion, whether a Participant is to be issued a Share or a cash payment equal to the Fair Market Value of such Share in satisfaction of each vested RSU. Subject to arrangements being made to fund Applicable Withholding Taxes to the satisfaction of the Board in accordance with Section 2.3, the issuance of a Share or the payment of cash to a Participant by the Corporation in satisfaction of any vested RSU shall be made as soon as practicable after the applicable Vesting Date thereof and, in any event, no later than the earlier of (i) sixty (60) days following the Vesting Date or (ii) the end of that calendar year.

3.8 Termination of Participant's Relationship with the Corporation

Unless otherwise determined by the Board or specified in an applicable RSU Agreement:

- (a) For a Participant that is an officer or employee of the Corporation, upon the voluntary resignation (other than upon bona fide retirement as determined by the Board) or termination for Cause of a Participant, all of such Participant's RSUs which remain unvested in the Participant's Account shall immediately cease to vest and be forfeited and be of no further force and/or effect whatsoever without any compensation to such Participant whatsoever; and
- (b) For a Participant that is an officer or employee of the Corporation, upon the retirement, termination without Cause or death of a Participant, (I) the applicable portion of such Participant's RSUs which remain unvested in the Participant's Account shall vest such that the number of RSUs scheduled to vest on the next Vesting Date immediately following the date of such retirement, termination without Cause or death shall be multiplied by the number of completed months of employment since the previous Vesting Date or Award Date, as the case may be, divided by 12, and all such vested RSUs shall be settled in accordance with Section 3.7 and (II) except as otherwise determined as having vested in accordance with Section 3.8(b)(I), all of such Participant's RSUs which remain unvested in the Participant's Account shall immediately cease to vest and be forfeited and be of no further force and/or effect whatsoever without any compensation to such Participant whatsoever.

For the purposes of this Plan, any change to an officer's or employee's status within the Corporation or any Subsidiary of the Corporation shall not be considered a termination and such officer's or employee's rights under any outstanding RSUs shall be the same as if such change in status had not occurred.

For the purposes of this Section 3.8: (1) the date of termination of an officer's or employee's employment shall be the date designated in writing by the Corporation or its Subsidiary, as the case may be, as the effective date of termination without regard to any period of notice or reasonable notice that the Corporation or Subsidiary, as the case may be, may be required by contract or at law to provide to such officer or employee in connection with such termination; and (2) the date of termination of any Participant who dies shall be the date of death of such Participant.

3.9 No Compensation for Cancelled RSUs

Section 3.8 applies regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the RSUs to vest with the Participant.

3.10 Adjustments to RSUs

In the event of any change in the outstanding Shares by reason of a stock split, spin-off, share dividend, share combination or reclassification, recapitalization, merger, or similar event, the Board may, subject to applicable laws, adjust appropriately the Account of each Participant and the RSUs outstanding under the Plan shall be adjusted in such manner, if any, as the Board may in its discretion deem appropriate to preserve proportionally the interests of Participants under the Plan.

3.11 No Fractional Shares

No fractional Shares shall be issued upon the vesting of RSUs awarded under the Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the vesting of an RSU, such Participant shall only have the right to the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded, and any fractional interest in a Share that would otherwise be delivered upon the vesting of RSUs will be cancelled.

4. GENERAL

4.1 Amendment, Suspension, or Termination of Plan

(a) Subject to Section 4.1(b), Section 4.1(c), the rules and policies of the TSX (if the Corporation has any securities listed on the TSX at such time) and applicable laws, the Board may, without notice or shareholder approval, at any time or from time to time, amend the Plan or any RSU Agreement for any purpose, including but not limited to the purposes of:

- (i) making any amendments to the vesting provisions of each RSU set out in any RSU Agreement;
- (ii) making any amendments to the provisions set out in Section 3.8;
- (iii) making any amendments to add covenants of the Corporation for the protection of Participants, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of Participants;
- (iv) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the Board, having in mind the best interests of the Participants, it may be expedient to make, provided that the Board shall be of the opinion that such amendments will not be prejudicial to the interests of the Participants; or
- (v) making any such changes or corrections which, on the advice of counsel to the Corporation, are required for the purposes of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or correction will not be prejudicial to the rights and interests of the Participants.

(b) Notwithstanding any other provision of this Plan, none of the following amendments shall be made to this Plan without Regulatory Approval and the approval of the shareholders of the Corporation:

- (i) amendments to the Plan which would increase the percentage of Shares issuable under the Plan, otherwise than in accordance with Section 3.10 hereof;
- (ii) amendments to the Plan which would increase the number of Shares issuable to Insiders under the Plan, otherwise than in accordance with Section 3.10 hereof;
- (iii) amendments to eligible participants in the Plan which may permit the introduction of non-employee directors on a discretionary basis; or
- (iv) any amendment to this Section 4.1.

(c) Subject to Section 4.2, the Board shall not alter or impair any rights or increase any obligations with respect to an RSU previously awarded under the Plan without the consent of the holder thereof.

(d) The Board may from time to time suspend the Plan in whole or in part and may at any time terminate the Plan without prior notice provided, however, that any such suspension or termination shall not adversely affect the RSUs previously awarded to a Participant at the time of such suspension or termination, without the consent of the affected Participant.

- (e) If the Board terminates or suspends the Plan, no new RSUs will be credited to the account of a Participant; however, previously credited RSUs shall remain outstanding.
- (f) On termination of the Plan, RSUs shall be paid in accordance with the terms and conditions of the Plan existing at the time of termination. The Plan will finally cease to operate for all purposes when the last remaining Participant receives payment of all vested RSUs recorded in the Participant's Account.

4.2 Compliance with Laws

- (a) The administration of the Plan shall be subject to and made in conformity with all applicable laws and any applicable regulations of a duly constituted authority.
- (b) If the Board, after consultation with the Corporation's accountants, determines that it is not feasible or desirable to honour any provision of the Plan under generally accepted accounting principles as applied to the Plan and the Accounts established hereunder, the Board shall make such changes to the Plan as the Board reasonably determines, after consultation with the Corporation's accountants, are required in order to avoid adverse accounting consequences to the Corporation with respect to the Plan and the Accounts established hereunder, and the Corporation's obligations under the Plan shall be satisfied by such other reasonable means as the Board shall in its good faith determine.

4.3 Reorganization of the Corporation

The existence of any RSUs shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation (including, without limitation, any Change of Control) or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise (including, without limitation, any Change of Control).

4.4 General Restrictions and Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

Rights and obligations under the Plan may be assigned by the Corporation to a successor to the Corporation or to the business of the Corporation.

RSUs are non-transferable (subject to the provisions of Section 3.8(b)), and certificates representing RSUs will not be issued by the Corporation.

4.5 No Right to Service

Neither participation in the Plan nor any action taken under the Plan shall give or be deemed to give any Participant a right to continued appointment as an officer or employee. Nothing contained in the Plan or in any RSU Agreement will interfere in any way with the right of the Corporation to lawfully terminate any Eligible Person or Participant's office or employment at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Eligible Person is strictly voluntary.

4.6 No Shareholder Rights

Under no circumstances shall RSUs be considered Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares, nor shall any Participant be considered the owner of any Shares by virtue of the award of RSUs.

4.7 Unfunded and Unsecured Plan

The Plan shall be unfunded and the Corporation will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights by virtue of an award of RSUs under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

4.8 No Representation or Warranty

The Corporation makes no representation or warranty as to the future market value of RSUs and/or Shares issued in accordance with the provisions of the Plan or to the effect of the Income Tax Act (Canada), the United States Internal Revenue Code, or any other taxing statute governing the RSUs and/or the Shares issuable hereunder or the tax consequences to a Participant. Compliance with applicable laws as to the disclosure and resale obligations of each Participant is the responsibility of such Participant and not the Corporation.

4.9 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share or the value of an RSU, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

4.10 Sub-Plans

The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable securities or tax laws of various jurisdictions. The Board shall establish such sub plans by adopting supplements to this Plan containing (a) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (b) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Corporation shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement.

4.11 Governing Law

The Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to principles of conflict of laws.

4.12 Interpretation

In this text words importing the singular meaning shall include the plural and vice versa, and words importing the masculine shall include the feminine gender.

4.13 Notices

The form of all communication relating to the Plan shall be in writing and delivered by recognised overnight courier, certified mail, fax or electronic mail to the proper address or, optionally, to any individual personally. Except as otherwise provided in any

RSU Agreement, all notices to the Corporation or the Board shall be addressed to the Corporation at its principal business office at 770 Palladium Dr 4th floor Ottawa, ON Canada K2V 1C8 Attn: Chief Financial Officer with a copy by email to: p.houston@calian.com. All notices to Participants, former Participants, beneficiaries or other Persons acting for or on behalf of such Persons which are not delivered personally to an individual shall be addressed to such Person by the Corporation or its designee at the last address for such Person maintained in the records of the Corporation.

4.14 Severability

The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from this Plan.

SCHEDULE A – FORM OF RSU AGREEMENT

CALIAN GROUP LTD.

RESTRICTED SHARE UNIT PLAN – RSU AGREEMENT

This RSU Agreement is entered into between Calian Group Ltd. (the "Corporation") and the Eligible Person named below, pursuant to the Corporation's Restricted Share Unit Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on _____ (the "Award Date");
2. _____ (the "Eligible Person");
3. was awarded _____ Restricted Share Units (the "RSUs") in accordance with the terms of the Plan;
4. the RSUs will vest as follows:

Number of RSUs	Vesting On
_____	_____
_____	_____
_____	_____

all on the terms and subject to the conditions set out in the Plan.

By signing this agreement, the Participant:

- (a) acknowledges that such Participant has read and understands the Plan, agrees with the terms and conditions thereof which shall be deemed to be incorporated into and form part of this RSU Agreement (subject to any specific variations contained in this RSU Agreement);
- (b) acknowledges that such Participant will be solely responsible for paying any Applicable Withholding Taxes (as defined in the Plan) arising from the award or vesting of any RSU, as provided in Section 2.3 of the Plan;
- (c) where allowed by applicable legislation, agrees to assume any applicable employer's social security, Canada Pension Plan, Employment Insurance and/or similar contributions due upon the award or vesting of any RSU upon request by the Corporation;

- (d) agrees that an RSU does not carry any voting rights;
- (e) acknowledges that the value of the RSUs awarded herein is in Canadian dollars, is subject to stock market fluctuations and is not guaranteed;
- (f) recognizes that the eventual cash value of any RSU settled in cash upon vesting and delivery may be higher or lower than the value of the RSU on the Award Date thereof;
- (g) acknowledges that any notice required to be provided by the Participant to the Corporation under the Plan must be in writing and will only be effective upon its receipt by the Corporation's contact person indicated in the Plan; and
- (h) recognizes that, at the sole discretion of the Corporation, the Plan can be administered by a designee of the Corporation and any communication from or to the designee shall be deemed to be from or to the Corporation.

IN WITNESS WHEREOF the Corporation and the Eligible Person have executed this RSU Agreement as of _____.

CALIAN GROUP LTD.

By: _____
 Name:
 Title:

 Name of Eligible Person

 Signature of Eligible Person

Note to Plan Participants

This RSU Agreement must be signed where indicated and returned to the Corporation within 30 days of receipt. Failure to acknowledge acceptance of this award will result in the cancellation of your RSUs.

APPENDIX E

SHAREHOLDER RIGHTS PLAN

SUMMARY OF 2020 SHAREHOLDER RIGHTS PLAN

The following is a summary of the features of the 2020 Shareholder Rights Plan. The summary is qualified in its entirety by the full text of the 2020 Shareholder Rights Plan, a copy of which is available on SEDAR at www.sedar.com. Copies are also available free of charge from the Corporate Secretary of the Corporation at its registered office located at 770 Palladium Drive, suite 400, Ottawa, Ontario K2V 1C8. All capitalized terms used in this summary without definition have the meanings attributed to them in the 2020 Shareholder Rights Plan unless otherwise indicated.

(a) Issuance of Rights

One Right was issued by the Corporation for each Common Share outstanding at the close of business on December 11, 2019, the date that the 2020 Shareholder Rights Plan came into effect, and one Right was issued and will continue to be issued for each Common Share of the Corporation after such date and prior to the earlier of the Separation Time and the Expiration Time.

Each Right entitles the registered holder thereof to purchase from the Corporation one Common Share at the exercise price equal to three times the Market Price of the Common Share, subject to adjustment and certain antidilution provisions (the "Exercise Price"). The Rights are not exercisable until the Separation Time. If a Flip-in Event occurs, each Right will entitle the registered holder to receive, upon payment of the Exercise Price, Common Shares having an aggregate market price equal to twice the Exercise Price.

The Corporation is not required to issue or deliver Rights, or securities upon the exercise of Rights, outside Canada where such issuance or delivery would be unlawful without registration of the relevant Persons or securities. If the 2020 Shareholder Rights Plan would require compliance with securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors may establish procedures for the issuance to a Canadian resident fiduciary of such securities, to hold such Rights or other securities in trust for the Persons beneficially entitled to them, to sell such securities, and to remit the proceeds to such Persons.

(b) Trading of Rights

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

(c) Separation Time

The Separation Time is the Close of Business on the tenth Business Day after the earlier of (i) the "Stock Acquisition Date", which is generally the first date of public announcement of facts indicating that a Person has become an Acquiring Person or such later date as may from time to time be determined by the Board of Directors; and (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, and the 2020 Shareholder Rights Plan requires such bid to continue to satisfy the requirements of a Permitted Bid or Competing Permitted Bid). In either case, the Separation Time can be such later date as may from time to time be determined by the Board of Directors. If a Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, it shall be deemed never to have been made.

(d) Acquiring Person

In general, an Acquiring Person is a Person who is or becomes the Beneficial Owner of 20% or more of the outstanding Common Shares. Excluded from the definition of "Acquiring Person" are the Corporation and its Subsidiaries, and any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of one or more or any combination of an acquisition or redemption by the Corporation of Common Shares, a Permitted Bid Acquisition, an Exempt Acquisition, a Convertible Security Acquisition and a Pro Rata Acquisition. The definitions of "Permitted Bid Acquisition", "Exempt Acquisition", "Convertible Security Acquisition" and "Pro Rata Acquisition" are set out in the 2020 Shareholder Rights Plan.

However, in general:

- (i) a **"Permitted Bid Acquisition"** means an acquisition of Common Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;
- (ii) an **"Exempt Acquisition"** means an acquisition of Common Shares in respect of which the Board of Directors has waived the application of the 2020 Shareholder Rights Plan, which was made pursuant to a dividend reinvestment plan of the Corporation, which was made pursuant to the receipt or exercise of rights issued by the Corporation to all the holders of Common Shares (other than holders resident in a jurisdiction where such distribution is restricted or impracticable as a result of applicable law) to subscribe for or purchase Common Shares or Convertible Securities (provided that such rights are acquired directly from the Corporation and not from any other Person and provided that the Person does not hereby acquire a greater percentage of Common Shares or Convertible Securities so offered than the Person's percentage of Common Shares or Convertible Securities beneficially owned immediately prior to such acquisition), which was made pursuant to a distribution by the Corporation of Common Shares or Convertible Securities made pursuant to a prospectus (provided that the Person does not thereby acquire a greater percentage of the Common Shares or Convertible Securities so offered than the percentage owned immediately prior to such acquisition), which was made pursuant to a distribution by the Corporation of Common Shares or Convertible Securities by way of a private placement or a securities exchange take-over bid circular or upon the exercise by an individual employee of stock options granted under a stock option plan of the Corporation or rights to purchase securities granted under a share purchase plan of the Corporation, or which is made pursuant to an amalgamation, merger or other statutory procedure requiring shareholder approval;
- (iii) a **"Convertible Security Acquisition"** means an acquisition of Common Shares upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Pro Rata Acquisition; and
- (iv) a **"Pro Rata Acquisition"** means an acquisition as a result of a stock dividend, a stock split or other event pursuant to which such Person receives or acquires Common Shares or Convertible Securities on the same pro rata basis as all other holders of Common Shares of the same class, provided that the Person does not thereby acquire a greater percentage of Common Shares or Convertible Securities so offered than the Person's percentage of Common Shares or Convertible Securities beneficially owned immediately prior to such acquisition.

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

(e) Beneficial Ownership

General

In general, a Person is deemed to Beneficially Own Common Shares actually held by others in circumstances where those holdings are or should be grouped together for purposes of the 2020 Shareholder Rights Plan. Included are holdings by the Person's Affiliates (generally, a person that controls, is controlled by, or under common control with another person) and Associates (generally, relatives sharing the same residence). Also included are securities which the Person or any of the Person's Affiliates or Associates has the right to acquire within 105 days (other than (1) customary agreements with and between underwriters and banking group or selling group members with respect to a distribution to the public or pursuant to a private placement of securities; or (2) pursuant to a pledge of securities in the ordinary course of business).

A Person is also deemed to "Beneficially Own" any securities that are Beneficially Owned (as described above) by any other Person with which the Person is acting jointly or in concert (a "Joint Actor"). A Person is a Joint Actor with any Person who is a party to an agreement, arrangement or understanding with the first Person or an Associate or Affiliate thereof to acquire or offer to acquire Common Shares.

Institutional Shareholder Exemptions from Beneficial Ownership

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

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

Exemption for Permitted Lock-up Agreement

Under the 2020 Shareholder Rights Plan, a Person will not be deemed to “Beneficially Own” any security where the holder of such security and/or Convertible Securities has agreed to deposit or tender such security and/or Convertible Securities, pursuant to a Permitted Lock-up Agreement, to a Take-over Bid made by such Person or such Person’s Affiliates or Associates or a Joint Actor, or such security and/or Convertible Securities has been deposited or tendered pursuant to a Take-over Bid made by such Person or such Person’s Affiliates, Associates or Joint Actors until the earliest time at which any such tendered security and/or Convertible Securities is accepted unconditionally for payment or is taken up or paid for.

A Permitted Lock-up Agreement is essentially an agreement between a Person and one or more holders of Common Shares and/or Convertible Securities (the terms of which are publicly disclosed and available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement) pursuant to which each Locked-up Person agrees to deposit or tender Common Shares and/or Convertible Securities to the Lock-up Bid and which further (i) permits the Locked-up Person to withdraw its Common Shares and/or Convertible Securities in order to deposit or tender the Common Shares and/or Convertible Securities to another Take-over Bid or support another transaction at a price or value that exceeds the price under the Lock-Up Bid; or (ii) permits the Locked-up Person to withdraw its Common Shares and/or Convertible Securities in order to deposit or tender the Common Shares and/or Convertible Securities to another Take-over Bid or support another transaction at an offering price that exceeds the offering price in the Lock-up Bid by as much as or more than a Specified Amount and that does not provide for a Specified Amount greater than 7% of the offering price in the Lock-up Bid. The 2020 Shareholder Rights Plan therefore requires that a Person making a Take-Over Bid structure any lock-up agreement so as to provide reasonable flexibility to the shareholder in order to avoid being deemed the Beneficial Owner of the Common Shares and/or Convertible Securities subject to the lock-up agreement and potentially triggering the provisions of the 2020 Shareholder Rights Plan.

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

(f) Flip-in Event

A Flip-in Event occurs when any Person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-in Event which has not been waived by the Board of Directors occurs (see “Redemption, Waiver and Termination”), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person, an Affiliate or Associate of an Acquiring Person or a Joint Actor (or a transferee of any such Person), which Rights will become null and void) shall constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms of the 2020 Shareholder Rights Plan, that number of Common Shares having an aggregate Market Price on the date of the Flip-in Event equal to twice the Exercise Price, for the Exercise Price (such Right being subject to anti-dilution adjustments). For example, if at the time of the Flip-in Event the Exercise Price is \$75 and the Market Price of the Common Shares is \$30, the holder of each Right would be entitled to purchase Common Shares having an aggregate Market Price of \$150 (that is, five Common Shares) for \$75 (that is, a 50% discount from the Market Price).

(g) Permitted Bid and Competing Permitted Bid

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

- (i) the Take-over Bid is made to all holders of record of Common Shares, other than the Offeror;
- (ii) the Take-over Bid contains irrevocable and unqualified conditions that:
 - A. no Common Shares shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the date that is no earlier than the earlier of (1) the date that is 105 days following the date of the Take-over Bid and (2) the last day of the initial deposit period that the Offeror must allow securities to be deposited under the Take-over Bid pursuant to NI 62-104;
 - B. unless the Take-over Bid is withdrawn, Common Shares may be deposited pursuant to the Takeover Bid at any time prior to the close of business on the date of first take-up or payment for Common Shares and all Common Shares deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the close of business on such date;
 - C. more than 50% of the outstanding Common Shares held by Independent Shareholders must be deposited to the Take-over Bid and not withdrawn at the close of business on the date of first take-up or payment for Common Shares; and
 - D. in the event that more than 50% of the then outstanding Common Shares held by Independent Shareholders have been deposited to the Take-over Bid and not withdrawn as at the date of first take-up or payment for Common Shares under the Take-over Bid, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Common Shares for not less than 10 Business Days from the date of such public announcement.

A Competing Permitted Bid is a Take-over Bid that is made after a Permitted Bid has been made but prior to its expiry, termination or withdrawal, and that satisfies all the requirements of a Permitted Bid as described above, except that a Competing Permitted Bid is not necessarily required to remain open for 105 days so long as it is open until the close of business on the date that is the last day of the minimum initial deposit period that the Offeror must allow securities to be deposited under the Take-over Bid pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid.

(h) Redemption, Waiver and Termination

- (i) Redemption of Rights on Approval of Holders of Common Shares and Rights. The Board of Directors acting in good faith may, after having obtained the prior approval of the holders of Common Shares or Rights, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.000001 per Right, appropriately adjusted for anti-dilution as provided in the Rights Agreement (the “Redemption Price”).
- (ii) Waiver of Inadvertent Acquisition. The Board of Directors acting in good faith may waive or agree to waive the application of the 2020 Shareholder Rights Plan in respect of the occurrence of any Flip-in Event if (A) the Board of Directors has determined that a Person became an Acquiring Person under the 2020 Shareholder Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and (B) the Acquiring Person has reduced its Beneficial Ownership of Common Shares such that at the time of waiver the Person is no longer an Acquiring Person.
- (iii) Deemed Redemption. In the event that a Person who has made a Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived or has deemed to have waived the application of the 2020 Shareholder Rights Plan consummates the acquisition of the Common Shares, the Board of Directors shall be deemed to have elected to redeem the Rights for the Redemption Price.

- (iv) Discretionary Waiver with Mandatory Waiver of Concurrent Bids. The Board of Directors acting in good faith may, prior to the occurrence of a Flip-in Event as to which the 2020 Shareholder Rights Plan has not been waived under this clause, upon prior written notice to the Rights Agent, waive the application of the 2020 Shareholder Rights Plan to a Flip-in Event that may occur by reason of a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Common Shares. However, if the Board of Directors waives the application of the 2020 Shareholder Rights Plan, the Board of Directors shall be deemed to have waived the application of the 2020 Shareholder Rights Plan in respect of any other Flip-in Event occurring by reason of such a Take-over Bid made prior to the expiry of a bid for which a waiver is, or is deemed to have been, granted.
- (v) Discretionary Waiver respecting Acquisition not by Take-over Bid Circular. The Board of Directors acting in good faith may, with the prior consent of the holders of Common Shares, determine, at any time prior to the occurrence of a Flip-in Event as to which the application of the 2020 Shareholder Rights Plan has not been waived, if such Flip-in Event would occur by reason of an acquisition of Common Shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to holders of Common Shares and otherwise than by inadvertence when such inadvertent Acquiring Person has then reduced its holdings to below 20%, to waive the application of the 2020 Shareholder Rights Plan to such Flip-in Event. However, if the Board of Directors waives the application of the 2020 Shareholder Rights Plan, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of shareholders called to approve such a waiver.
- (vi) Redemption of Rights on Withdrawal or Termination of Bid. Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price.
- (vii) If the Board of Directors is deemed to have elected or elects to redeem the Rights as described above, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights is to receive the Redemption Price. Within 10 Business Days of any such election or deemed election to redeem the Rights, the Corporation will notify the holders of the Common Shares or, after the Separation Time, the holders of the Rights.

(i) Anti-Dilution Adjustments

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

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

(j) Supplements and Amendments

The Corporation may make amendments to correct any clerical or typographical error or which are necessary to maintain the validity of the 2020 Shareholder Rights Plan as a result of any change in any applicable legislation, rules or regulation. Any changes made to maintain the validity of the 2020 Shareholder Rights Plan shall be subject to subsequent confirmation by the holders of the Common Shares or, after the Separation Time, the holders of the Rights.

Subject to the above exceptions, after the meeting, any amendment, variation or deletion of or from the 2020 Shareholder Rights Plan and the Rights is subject to the prior approval of the holders of Common Shares, or, after the Separation Time, the holders of the Rights.

(k) Expiration

If the 2020 Shareholder Rights Plan is confirmed and approved at the Meeting, it will continue to be effective and remain in force until the earlier of the Termination Time (the time at which the right to exercise Rights shall terminate pursuant to the 2020 Shareholder Rights Plan) and the termination of the annual meeting of the Shareholders in the year 2023 unless at or prior to such meeting the Corporation's shareholders ratify the continued existence of the 2020 Shareholder Rights Plan, in which case the 2020 Shareholder Rights Plan would expire at the earlier of the Termination Time and the termination of the 2026 annual meeting of the Corporation's shareholders.

**CALIAN GROUP LTD.
SHAREHOLDER RIGHTS PLAN RESOLUTION**

BE IT RESOLVED THAT:

1. The 2020 Shareholder Rights Plan of the Corporation be approved and, without limiting the foregoing, the 2020 Shareholder Rights Plan Agreement substantially in the form referenced in the Corporation's management information circular dated December 19, 2022, made effective as of December 19, 2022 between the Corporation and AST Trust company (Canada) (the "Rights Agent") is hereby approved; and
2. Any director or officer of the Corporation is hereby authorized to do all such things and execute all such documents and instruments as may be necessary or desirable to give effect to the above resolution.

CALIAN GROUP LTD. 2020 SHAREHOLDER RIGHTS PLAN AGREEMENT

THIS 2020 SHAREHOLDER RIGHTS PLAN AGREEMENT is made as of the 11th day of December, 2019

BETWEEN:

CALIAN GROUP LTD., a body corporate organized under the laws of Canada

(hereinafter referred to as the **"Corporation"**)

OF THE FIRST PART

- and -

AST TRUST COMPANY (CANADA), a trust company existing under the laws

of Canada (hereinafter referred to as the **"Rights Agent"**)

OF THE SECOND PART

WHEREAS the Board has determined that it is advisable and in the best interests of the Corporation to adopt this Rights Plan to ensure, to the extent possible, that all shareholders of the Corporation are treated fairly in connection with any take-over offer or bid for the Corporation, and to ensure that the Board of Directors is provided with sufficient time to evaluate unsolicited take-over bids and to assess alternatives to maximize shareholder value that may include, without limitation, the continued implementation of the Corporation's long-term strategic plans, as those may be modified by the Corporation from time to time;

AND WHEREAS, the Board of Directors has:

- (a) authorized and declared a distribution of one Right effective as of the close of business at the Record Time in respect of each Common Share outstanding at the close of business at the Record Time;
- (b) authorized the issuance of one Right in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time; and
- (c) authorized the issuance of Rights Certificates to holders of Rights pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth herein;

AND WHEREAS the Corporation desires to appoint the Rights Agent to act on behalf of the Corporation, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to herein;

NOW THEREFORE in consideration of the premises and the respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

For the purposes of this Agreement, the following terms have the meanings indicated:

- (a) **"Acquiring Person"** means any Person who is or becomes the Beneficial Owner of 20% or more of the outstanding Common Shares of the Corporation; provided, however, that the term "Acquiring Person" shall not include:
 - (i) the Corporation or any Subsidiary or Affiliate of the Corporation;
 - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares of the Corporation as a result of any one or a combination of:
 - (A) an acquisition or redemption by the Corporation of Common Shares of the Corporation which, by reducing the number of Common Shares outstanding, increases the proportionate number of Common Shares Beneficially Owned by such Person to 20% or more of the Common Shares of the Corporation then outstanding;
 - (B) share acquisitions made pursuant to a Permitted Bid (**"Permitted Bid Acquisitions"**);
 - (C) share acquisitions (1) in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to subsections 5.1(b), 5.1(c), or 5.1(d); or (2) which were made on or prior to the Effective Date; or (3) which were made pursuant to a dividend reinvestment plan of the Corporation; or (4) pursuant to the receipt or exercise of rights issued by the Corporation to all the holders of the Common Shares (other than holders resident in a jurisdiction where such distribution is restricted or impracticable as a result of applicable law) to subscribe for or purchase Common Shares or Convertible Securities, provided that such rights are acquired directly from the Corporation and not from any other Person and provided that the Person does not thereby acquire a greater percentage of Common Shares or Convertible Securities so offered than the Person's percentage of Common Shares or Convertible Securities beneficially owned immediately prior to such acquisition; or (5) pursuant to a distribution by the Corporation of Common Shares or Convertible Securities made pursuant to a prospectus, provided that the Person does not thereby acquire a greater percentage of Common Shares or Convertible Securities so offered than the Person's percentage of Common Shares or Convertible Securities beneficially owned immediately prior to such acquisition; or (6) pursuant to a distribution by the Corporation of Common Shares or Convertible Securities by way of a private placement or a securities exchange take-over bid circular or upon the exercise by an individual employee of stock options granted under a stock option plan of the Corporation or rights to purchase securities granted under a share purchase plan of the Corporation, provided that (i) all necessary stock exchange approvals for such private placement, stock option plan or share purchase plan have been obtained and such private placement, stock option plan or share purchase plan complies with the terms and conditions of such approvals and (ii) such Person does not become the Beneficial Owner of more than 25% of the Common Shares outstanding immediately prior to the distribution, and in making this determination, the Common Shares to be issued to such Person in the distribution shall be deemed to be held by such Person but shall not be included in the aggregate number of outstanding Common Shares immediately prior to the distribution; or (7) pursuant to an amalgamation, merger or other statutory procedure requiring shareholder approval (**"Exempt Acquisitions"**);
 - (D) the acquisition of Common Shares upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, Exempt Acquisition or a Pro Rata Acquisition ("Convertible Security Acquisitions"); or

(E) acquisitions as a result of a stock dividend, a stock split or other event pursuant to which such Person receives or acquires Common Shares or Convertible Securities on the same pro rata basis as all other holders of Common Shares of the same class, provided that the Person does not thereby acquire a greater percentage of Common Shares or Convertible Securities so offered than the Person's percentage of Common Shares or Convertible Securities beneficially owned immediately prior to such acquisition ("**Pro Rata Acquisitions**");

provided, however, that if a Person becomes the Beneficial Owner of 20% or more of the Common Shares of the Corporation then outstanding by reason of any one or a combination of (i) share acquisitions or redemptions by the Corporation or (ii) Permitted Bid Acquisitions or (iii) Exempt Acquisitions or (iv) Convertible Security Acquisitions or (v) Pro Rata Acquisitions and, after such share acquisitions or redemptions by the Corporation, Permitted Bid Acquisitions, Exempt Acquisitions, Convertible Security Acquisitions or Pro Rata Acquisitions, such Person subsequently becomes the Beneficial Owner of more than an additional 1.00% of the number of Common Shares of the Corporation outstanding other than pursuant to any one or a combination of share acquisitions or redemptions of shares by the Corporation, Permitted Bid Acquisitions, Exempt Acquisitions, Convertible Security Acquisitions or Pro Rata Acquisitions, then as of the date of any such acquisition such Person shall become an "Acquiring Person";

- (iii) for a period of 10 days after the Disqualification Date, any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of such Person becoming disqualified from relying on clause 1.1(d)(B) solely because such Person makes or announces an intention to make a Take-over Bid, either alone, through such Person's Affiliates or Associates or by acting jointly or in concert with any other Person. For the purposes of this definition, "**Disqualification Date**" means the first date of public announcement that any Person has made or is making or intends to make a Take-over Bid, either alone, through such Person's Affiliates or Associates or by acting jointly or in concert with any other Person;
- (iv) an underwriter or member of a banking or selling group, acting in such capacity, that becomes the Beneficial Owner of 20% or more of the Common Shares in connection with a distribution of securities by way of prospectus or private placement; or
- (v) a Person (a "**Grandfathered Person**") who is the Beneficial Owner of 20% or more of the outstanding Common Shares of the Corporation as at the Record Time, provided, however, that this exception shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time: (1) cease to own 20% or more of the outstanding Common Shares or (2) become the Beneficial Owner (other than pursuant to any one or a combination of (A) share acquisitions or redemptions by the Corporation or (B) Permitted Bid Acquisitions (C) Exempt Acquisitions or (D) Convertible Security Acquisition or (E) Pro Rata Acquisitions) of additional Common Shares constituting more than 1.00% of the number of Common Shares outstanding as at the Record Time.
- (b) "**Affiliate**", used to indicate a relationship with a specified Person, shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person.
- (c) "**Associate**" of a specified individual, where used to indicate a relationship with any person, shall mean any individual to whom such specified individual is married or with whom such specified individual is living in a conjugal relationship, outside marriage, or any relative of such specified individual or said spouse who resides in the same home as such specified individual.
- (d) A Person shall be deemed the "**Beneficial Owner**" and to have "**Beneficial Ownership**" of, and to "**Beneficially Own**":
- (i) any securities as to which such Person or any of such Person's Affiliates or Associates is the owner at law or in equity;

- (ii) any securities as to which such Person or any of such Person's Affiliates or Associates has the right to acquire (A) upon the exercise of any Convertible Securities, or (B) pursuant to any agreement, arrangement or understanding, whether or not in writing, in either case where such right is exercisable within a period of 60 days and whether or not on condition or the happening of any contingency (other than (1) customary agreements with and between underwriters and banking group or selling group members with respect to a distribution to the public or pursuant to a private placement of securities, or (2) pursuant to a pledge of securities in the ordinary course of business); and
- (iii) any securities which are Beneficially Owned within the meaning of clauses 1.1(d)(i) or (ii) above by any other Person with which such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the "Beneficial Owner", or to have "Beneficial Ownership" of, or to "Beneficially Own", any security:

- (A) where (1) the holder of such security has agreed to deposit or tender such security pursuant to a Permitted Lock-up Agreement to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(d)(iii), or (2) such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(d)(iii), in each case until the earliest time at which any such tendered security is accepted unconditionally for payment or exchange or is taken up and paid for;
- (B) where such Person, any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(d)(iii), holds such security provided that (1) the ordinary business of any such Person (the "**Investment Manager**") includes the management of investment funds for others and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager's duties for the account of any other Person, including the acquisition or holding of securities for non-discretionary accounts held on behalf of a client by a broker or dealer registered under applicable securities laws, or (2) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and holds such security in the ordinary course of such duties for the estates of deceased or incompetent Persons or for such other accounts, or (3) such Person (the "**Plan Trustee**") is the administrator or trustee of one or more pension funds or plans (each a "**Plan**") registered under applicable laws and holds such security for the purposes of its activity as such, or (4) such Person is a Plan or is a Person established by statute (the "**Statutory Body**") for purposes that include, and the ordinary business or activity of such Person includes the management of investment funds for employee benefit plans, pension plans, insurance plans (other than plans administered by insurance companies) or various public bodies, or (5) such Person is a Crown agent or agency or (6) such Person (the "**Manager**") is the manager or trustee of a mutual fund (a "**Mutual Fund**") that is registered or qualified to issue its securities to investors under the securities laws of any province of Canada or the laws of the United States of America or is a Mutual Fund; provided in any of the above cases, that the Investment Manager, the Trust Company, the Plan

Trustee, the Plan, the Statutory Body, the Crown agent or agency, the Manager or the Mutual Fund, as the case may be, is not then making a Take-over Bid or has not announced a current intention to make a Take-over Bid, other than an Offer to Acquire Common Shares or other securities pursuant to a distribution by the Corporation or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange, securities quotation system or organized over-the-counter market, alone, through its Affiliates or Associates or by acting jointly or in concert with any other Person;

- (C) because such Person is a client of or has an account with the same Investment Manager as another Person on whose account the Investment Manager holds such security, or where such Person is a client of or has an account with the same Trust Company as another Person on whose account the Trust Company holds such security, or where such Person is a Plan and has a Plan Trustee who is also a Plan Trustee for another Plan on whose account the Plan Trustee holds such security;
- (D) where such Person is (i) a client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, or (ii) an account of a Trust Company and such security is owned at law or in equity by the Trust Company, or (iii) a Plan and such security is owned at law or in equity by the Plan Trustee; or
- (E) where such Person is the registered holder of securities as a result of carrying on the business of or acting as a nominee of a securities depository.

For purposes of this Agreement, the percentage of Common Shares Beneficially Owned by any Person, shall be and be deemed to be the product determined by the formula:

$$100 \times A/B$$

Where:

A = the number of votes for the election of all directors generally attaching to the Common Shares Beneficially Owned by such Person; and

B = the number of votes for the election of all directors generally attaching to all outstanding Common Shares.

For the purposes of the foregoing formula, where any Person is deemed to Beneficially Own unissued Common Shares which may be acquired pursuant to Convertible Securities, such Common Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Common Shares Beneficially Owned by such Person in both the numerator and the denominator, but no other unissued Common Shares which may be acquired pursuant to any other outstanding Convertible Securities shall, for the purposes of that calculation, be deemed to be outstanding.

- (e) **“Board of Directors”** or **“Board”** has the meaning set forth in the recitals hereto.
- (f) **“Business Corporations Act”** means the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended, and the regulations thereunder, and any comparable or successor laws or regulations thereto.
- (g) **“Business Day”** means any day other than a Saturday, Sunday or a day that is treated as a holiday at the Corporation’s principal executive offices in Ottawa, Canada.
- (h) **“Canadian Dollar Equivalent”** of any amount which is expressed in United States dollars means on any day the Canadian dollar equivalent of such amount determined by reference to the U.S.- Canadian Exchange Rate on such date.
- (i) **“close of business”** on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Common Shares in the City of Toronto (or, after the Separation Time, the offices of the Rights Agent in the City of Toronto) becomes closed to the public; provided, however, that for the purposes of the definitions of **“Competing Permitted Bid”** and **“Permitted Bid”**, **“close of business”** on any date means 11:59 p.m. (local time at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time at the place of deposit) on the next succeeding Business Day).
- (j) **“Co-Rights Agents”** has the meaning set forth in subsection 4.1(a).

- (k) **“Common Shares of the Corporation”** and **“Common Shares”** means the common shares in the capital stock of the Corporation as constituted as at the Effective Date and any other share of the Corporation into which such common shares may be subdivided, consolidated, reclassified or changed from time to time.
- (l) **“Competing Permitted Bid”** means a Take-over Bid that:
 - (i) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry, termination or withdrawal of the Permitted Bid or another Competing Permitted Bid;
 - (ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in clause (ii) of that definition; and
 - (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the date that is the last day of the minimum initial deposit period that the Offeror must allow securities to be deposited under the Take-over Bid pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid.
- (m) **“Convertible Securities”** means, at any time, any securities issued by the Corporation from time to time (other than the Rights) carrying any exercise, conversion or exchange right pursuant to which the holder thereof may acquire Common Shares or other securities which are convertible into or exercisable or exchangeable for Common Shares.
- (n) **“Convertible Security Acquisitions”** has the meaning set forth in the definition of “Acquiring Person” herein.
- (o) **“Effective Date”** means December 11, 2019.
- (p) **“Election to Exercise”** has the meaning set forth in subsection 2.2(d).
- (q) **“Exempt Acquisition”** has the meaning set forth in the definition of “Acquiring Person” herein.
- (r) **“Exercise Price”** means, as of any date after the Effective Date, the price at which a holder of a Right may purchase the securities issuable upon exercise of one whole Right in accordance with the terms hereof and, subject to adjustment thereof in accordance with the terms hereof, the Exercise Price shall be:
 - (i) until the Separation Time, an amount equal to three times the Market Price, from time to time, per Common Share; and
 - (ii) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share.
- (s) **“Expansion Factor”** has the meaning set forth in subsection 2.3(a).
- (t) **“Expiration Time”** means the earlier of:
 - (i) the Termination Time; and
 - (ii) if this Agreement is not reconfirmed by shareholders at an annual meeting of the shareholders of the Corporation as required by Section 5.18 or 5.19, at the termination of such meeting.
- (u) **“Fiduciary”** means a trust company registered under the trust company legislation of Canada or any province thereof, a trust company organized under the laws of any state of the United States, a portfolio manager registered under the securities legislation of one or more provinces of Canada or an investment adviser registered under the United States Investment Advisers Act of 1940 or any other securities legislation of the United States or any state of the United States.

- (v) **"Flip-in Event"** means a transaction occurring subsequent to the date of this Agreement as a result of which any Person shall become an Acquiring Person provided, however, that a Flip-in Event, shall be deemed to occur at the close of business on the tenth day (or such later day as the Board of Directors of the Corporation may determine) after the Stock Acquisition Date.
- (w) **"Grandfathered Person"** has the meaning set forth in the definition of "Acquiring Person" herein.
- (x) **"Independent Shareholders"** means holders of outstanding Common Shares of the Corporation excluding (i) any Acquiring Person; or (ii) any Person (other than a Person referred to in clause 1.1(d)(B) who at the relevant time is deemed not to Beneficially Own Common Shares) that is making or has announced a current intention to make a Take-over Bid for Common Shares of the Corporation (including a Permitted Bid or a Competing Permitted Bid) but excluding any such Person if the Take-over Bid so announced or made by such Person has been withdrawn, terminated or expired; or (iii) any Affiliate or Associate of such Acquiring Person or a Person referred to in clause (ii); or (iv) any Person acting jointly or in concert with such Acquiring Person or a Person referred to in clause (ii); or (v) a Person who is a trustee of any employee benefit plan, share purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Common Shares are to be voted or direct whether the Common Shares are to be tendered to a Take-over Bid.
- (y) **"Market Price"** per security of any securities on any date of determination means the average of the daily Closing Price Per Security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the price used to determine the Closing Price Per Security on any Trading Day not to be fully comparable with the price used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price per security used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The **"Closing Price Per Security"** of any securities on any date shall be:
- (i) the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such securities as reported by the securities exchange or national securities quotation system on which such securities are listed or admitted for trading on which the largest number of such securities were traded during the most recently completed calendar year;
 - (ii) if, for any reason, none of such prices is available on such date or the securities are not listed or admitted to trading on a securities exchange or on a national securities quotation system, the last sale price, or in case no sale takes place on such date, the average of the high bid and low asked prices for such securities in the over-the-counter market, as quoted by any reporting system then in use (as selected by the Board of Directors); or
 - (iii) if the securities are not listed or admitted to trading as contemplated in clause 1.1(y)(i) or
- (ii), the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities provided, however, that if on any such date the Closing Price Per Security cannot be determined in accordance with the foregoing, the Closing Price Per Security of such securities on such date means the fair value per share of such securities on such date as determined in good faith by an internationally recognized investment

dealer or investment banker with respect to the fair value per share of such securities. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars at the Canadian Dollar Equivalent thereof.

- (z) **"NI 62-104"** means National Instrument 62-104 – Take-Over Bids and Issuer Bids, as now in effect or as the same may from time to time be amended, re-enacted or replaced.
- (aa) **"Offer to Acquire"** shall include:
- (i) an offer to purchase, or a solicitation of an offer to sell, Common Shares; and
 - (ii) an acceptance of an offer to sell Common Shares, whether or not such offer to sell has been solicited; or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an offer to acquire to the Person that made the offer to sell.
- (bb) **"Offeror's Securities"** means Common Shares Beneficially Owned on the date of an Offer to Acquire by any Person who is making a Take-over Bid and "Offeror" means a Person who has announced a current intention to make or is making a Take-over Bid.
- (cc) **"Permitted Bid"** means a Take-over Bid made by a Person by means of a Take-over Bid circular and which also complies with the following additional provisions:
- (i) the Take-over Bid is made to all holders of record of Common Shares, other than the Offeror;
 - (ii) the Take-over Bid shall contain, and the provisions for the take-up and payment for Common Shares tendered or deposited thereunder shall be subject to, an irrevocable and unqualified condition that no Common Shares shall be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the date that is no earlier than the earlier of (1) the date that is 105 days following the date of the Take-over Bid and (2) the last day of the initial deposit period that the Offeror must allow securities to be deposited under the Take-over Bid pursuant to NI 62-104;
 - (iii) the Take-over Bid shall contain irrevocable and unqualified provisions that, unless the Take-over Bid is withdrawn, Common Shares may be deposited pursuant to the Take-over Bid at any time prior to the close of business on the date of first take-up or payment for Common Shares and that all Common Shares deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the close of business on such date;
 - (iv) the Take-over Bid shall contain an irrevocable and unqualified condition that more than 50% of the outstanding Common Shares held by Independent Shareholders, determined as at the close of business on the date of first take-up or payment for Common Shares under the Take-over Bid, must be deposited to the Take-over Bid and not withdrawn at the close of business on the date of first take-up or payment for Common Shares; and (v) the Take-over Bid shall contain an irrevocable and unqualified provision that in the event that more than 50% of the then outstanding Common Shares held by Independent Shareholders shall have been deposited to the Take-over Bid and not withdrawn as at the close of business on the date of first take-up or payment for Common Shares under the Take-over Bid, the Offeror will make a public announcement of that fact and the Takeover Bid will remain open for deposits and tenders of Common Shares for not less than 10 Business Days from the date of such public announcement; provided that if a Take-over Bid constitutes a Competing Permitted Bid, the term "Permitted Bid" shall also mean the Competing Permitted Bid.

- (dd) **“Permitted Bid Acquisitions”** has the meaning set forth in the definition of “Acquiring Person” herein.
- (ee) **“Permitted Lock-up Agreement”** means an agreement (the **“Lock-up Agreement”**) between a Person and one or more holders of Common Shares and/or Convertible Securities (each such holder herein referred to as a **“Locked-up Person”**) (the terms of which are publicly disclosed and a copy of which is made available to the public (including the Corporation) not later than the date of the Lock-up Bid (as defined below), or if the Lock-up Bid has been made prior to the date of the Lock-up Agreement not later than the first Business Day following the date of the Lock-up Agreement) pursuant to which each Locked-up Person agrees to deposit or tender the Common Shares or Convertible Securities held by such holder to a Take-over Bid (the **“Lock-up Bid”**) made by the Person or any of such Person’s Affiliates or Associates or any other Person referred to in clause 1.1(d)(iii), provided that:
- (i) the Lock-up Agreement permits the Locked-up Person to withdraw its Common Shares or Convertible Securities from the Lock-up Agreement in order to deposit or tender the Common Shares or Convertible Securities to another Take-over Bid or to support another transaction prior to the Common Shares or Convertible Securities being taken up and paid for under the Lock-up Bid at a price or value per Common Share or Convertible Security that exceeds the price or value per Common Share or Convertible Security offered under the Lock-up Bid; or
 - (ii) the Lock-up Agreement permits the Locked-up Person to withdraw its Common Shares or Convertible Securities from the Lock-up Agreement in order to deposit or tender the Common Shares or Convertible Securities to another Take-over Bid or to support another transaction prior to the Common Shares or Convertible Securities being taken up and paid for under the Lock-up Bid at an offering price for each Common Share or Convertible Security that exceeds by as much as or more than a specified amount (the **“Specified Amount”**) the offering price for each Common Share or Convertible Security contained in or proposed to be contained in the Lock-up Bid and that does not by its terms provide for a Specified Amount that is greater than 7% of the offering price contained in or proposed to be contained in the Lock-up Bid;
- and, for greater clarity, the agreement may contain a right of first refusal or require a period of delay to give the Person who made the Lock-up Bid an opportunity to match a higher price in another Take-over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Common Shares or Convertible Securities from the agreement, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Common Shares or Convertible Securities during the period of the other Take-over Bid or transaction; and
- (iii) no “break-up” fees, “top-up” fees, penalties, expenses or other amounts that exceed in aggregate the greater of:
 - (A) 2.5% of the price or value of the consideration payable under the Lock-up Bid to a Locked-up Person; and
 - (B) 50% of the amount by which the price or value of the consideration received by a Locked-up Person under another Take-over Bid or transaction exceeds the price or value of the consideration that the Locked-up Person would have received under the Lock-up Bid;

shall be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Common Shares or Convertible Securities to the Lock-up Bid, or withdraws Common Shares or Convertible Securities previously tendered thereto in order to deposit or tender such Common Shares or Convertible Securities to another Take-over Bid or support another transaction.

- ff) **“Person”** means any individual, firm, partnership, association, trust, trustee, personal representative, body corporate, corporation, unincorporated organization, syndicate or other similar entity.
 - (gg) **“Privacy Laws”** has the meaning set forth in Section 4.6 herein.
 - (hh) **“Pro Rata Acquisition”** has the meaning set forth in the definition of “Acquiring Person” herein.
 - (ii) **“Record Time”** means the close of business on the Effective Date.
 - (jj) **“Redemption Price”** has the meaning set forth in Section 5.1(a) herein.
 - (kk) **“Right”** has the meaning set forth in the recitals hereto.
 - (ll) **“Rights Certificate”** means, after the Separation Time, the certificate representing the Rights substantially in the form of Exhibit A hereto.
 - (mm) **“Rights Plan”** has the meaning set forth in the recitals hereto.
 - (nn) **“Rights Register”** has the meaning set forth in Section 2.6(a).
 - (oo) **“Securities Act”** means the *Securities Act* (Ontario), R.S.O. 1990, c. S-5, and the rules and regulations thereunder, each as may be amended from time to time, and any comparable or successor laws, rules or regulations thereto.
 - (pp) **“Separation Time”** means the close of business on the tenth Business Day after the earlier of:
 - (i) the Stock Acquisition Date;
 - (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Takeover Bid (other than a Take-over Bid which is a Permitted Bid or a Competing Permitted Bid so long as such Take-over Bid continues to satisfy the requirements of a Permitted Bid or Competing Permitted Bid), provided that, if any Take-over Bid referred to in this clause (ii) expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for purposes of this Section 1.1(pp), never to have been made; and
 - (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be a Permitted Bid or Competing Permitted Bid, as applicable;
- or such later date as may be determined by the Board of Directors acting in good faith provided that, if the Board of Directors determines pursuant to Section 5.1 to waive the application of Section 3.1 to a Flip-in Event, the Separation Time in respect of such Flip-in Event shall be deemed never to have occurred.
- (qq) **“Stock Acquisition Date”** means the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 5.2 of NI 62-104, Section 4.5 of National Instrument 62-103 – *The Early Warning System and Related Takeover Bid and Insider Reporting Issues*) by the Corporation or an Acquiring Person that a Person has become an Acquiring Person, or such later date as determined by the Board of Directors acting in good faith.
 - (rr) **“Subsidiary”** of any specified Person means any corporation, trust, partnership or other Person controlled, directly or indirectly, by such specified Person and includes a Subsidiary of that Subsidiary.
 - (ss) **“Take-over Bid”** means an Offer to Acquire Common Shares or Convertible Securities, where the Common Shares subject to the Offer to Acquire, together with the Common Shares into which the securities subject to the Offer to

Acquire are convertible or exchangeable, and the Offeror's Securities, constitute in the aggregate 20% or more of the outstanding Common Shares at the date of the Offer to Acquire.

- (tt) **"Termination Time"** means the time at which the right to exercise Rights shall terminate pursuant to Section 5.1, 5.18 or 5.19 hereof.
- (uu) **"Trading Day"**, when used with respect to any securities, means a day on which the securities exchange or national securities quotation system on which such securities are listed or admitted to trading on which the largest number of such securities were traded during the most recently completed calendar year is open for the transaction of business or, if the securities are not listed or admitted to trading on any securities exchange, a Business Day.
- (vv) **"U.S.-Canadian Exchange Rate"** means on any date:
 - (i) if on such date the Bank of Canada sets an average noon spot rate of exchange with a conversion of one United States dollar into Canadian dollars, such rate; and
 - (ii) in any other case, the rate for such date for the conversion of one United States dollar into

Canadian dollars which is calculated in the manner which shall be determined by the Board of Directors from time to time acting in good faith.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.3 Acting Jointly or in Concert

For the purposes of this Agreement, a Person is acting jointly or in concert with another Person if such Person has any agreement, arrangement or understanding (whether formal or informal and whether or not in writing) with such other Person to acquire, or Offer to Acquire, any Common Shares of the Corporation (other than (A) customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities by way of prospectus or private placement, (B) pursuant to a pledge of securities in the ordinary course of business or (C) Permitted Lock-Up Agreements).

1.4 Control

A corporation shall be deemed to be "controlled" by another Person or two or more Persons if:

- (a) securities entitled to vote in the election of directors carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or on behalf of the other Person or Persons; and
- (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such corporation.

1.5 Holder of Rights and Trust Units

As used in this Agreement, unless the context otherwise requires, the term **"holder"** of any Rights means the registered holder of such Rights (or, prior to the Separation Time, the associated Common Shares).

1.6 References to this Agreement

In this Agreement, unless otherwise provided herein and unless the context otherwise requires, references to **"this Agreement"**, **"herein"**, **"hereby"** and **"hereunder"** mean this 2020 Shareholder Rights Plan Agreement dated as of December 11, 2019 between the Corporation and the Rights Agent as amended and supplemented from time to time.

ARTICLE 2 THE RIGHTS

2.1 Legend on Common Share Certificates

Certificates for the Common Shares, including without limitation Common Shares issued upon the conversion of Convertible Securities, issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time shall evidence one Right for each Common Share represented thereby and, commencing as soon as reasonably practicable after the Record Time, shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

Until the Separation Time (as defined in the Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in a 2020 Shareholder Rights Plan Agreement dated as of December 11, 2019, as such may from time to time be amended, restated, varied or replaced (the "Rights Agreement"), between Calian Group Ltd. (the "Corporation") and AST Trust Company (Canada) as Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the registered office of the Corporation. In certain circumstances, as set forth in the Rights Agreement, such Rights may be amended, redeemed, may expire, may become void (if, in certain cases, they are "Beneficially Owned" by an "Acquiring Person", as such terms are defined in the Rights Agreement, or a transferee thereof) or may be evidenced by separate certificates and may no longer be evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this certificate without charge as soon as practicable, after the receipt of a written request therefor.

Certificates representing Common Shares that are issued and outstanding at the Record Time shall evidence one Right for each Common Share evidenced thereby notwithstanding the absence of the foregoing legend, until the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, after the Separation Time, to purchase, for the Exercise Price, one Common Share. Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.
- (b) Until the Separation Time,
 - (i) no Right may be exercised; and
 - (ii) each Right will be evidenced by the certificate for the associated Common Share and will be transferable only together with, and will be transferred by a transfer of, such associated share.

- (c) After the Separation Time and prior to the Expiration Time, the Rights (i) may be exercised; and (ii) will be transferable independent of Common Shares. Promptly following the Separation Time the Corporation will prepare (or will arrange to have prepared) and the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time and, in respect of each Convertible Security converted into Common Shares after the Separation Time and prior to the Expiration Time promptly after such conversion to the holder so converting (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights) at such holder's address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose), (x) a Rights Certificate with registration particulars appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or securities quotation system on which the Rights may from time to time be listed or traded, or to conform to usage, and (y) a disclosure statement describing the Rights.
- (d) Rights may be exercised in whole or in part on any Business Day (or on any other day which, in the city at which an Election to Exercise (as hereinafter defined) is duly submitted to the Rights Agent in accordance with this Agreement, is not a Saturday, Sunday or a day that is treated as a holiday in such city) after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent (at its office in the City of Toronto, Canada or at any other office of the Rights Agent in the cities designated from time to time for that purpose by the Corporation), the Rights Certificate evidencing such Rights together with an Election to Exercise (an **"Election to Exercise"**) substantially in the form attached to the Rights Certificate duly completed, accompanied by payment by certified cheque, banker's draft or money order payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.
- (e) Upon receipt of a Rights Certificate, with a duly completed Election to Exercise (that does not indicate that the holder so exercising is an Acquiring Person) accompanied by payment as set forth in Section 2.2(d) above, the Rights Agent (unless otherwise instructed in writing by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:
- (i) requisition from the transfer agent or any co-transfer agent of the Common Shares certificates for the number of Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - (ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares and, after receipt, deliver such cash to or to the order of the registered holder of the Rights Certificate;
 - (iii) after receipt of the Common Share certificates, deliver the same to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such registered holder; and
 - (iv) tender to the Corporation all payments received on exercise of the Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.

- (g) The Corporation covenants and agrees that it will:
- (i) take all such action as may be necessary and within its power to ensure that all shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable;
 - (ii) take all such action as may be necessary and within its power to comply with any applicable requirements of the Business Corporations Act, the Securities Act, the securities acts or comparable legislation of each of the other provinces of Canada and the rules and regulations thereunder or any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any shares upon exercise of Rights;
 - (iii) use reasonable efforts to cause all shares issued upon exercise of Rights to be listed on the principal exchanges or traded in the over-the-counter markets on which the shares were traded immediately prior to the Stock Acquisition Date;
 - (iv) cause to be reserved and kept available out of its authorized and unissued Common Shares the number of Common Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights; and
 - (v) pay when due and payable any and all Canadian federal, provincial and local transfer taxes (for greater certainty not including any income taxes or capital gains of the holder or exercising holder or any liability of the Corporation to withhold tax) and charges which may be payable in respect of the original issuance or delivery of the Rights Certificates or certificates for shares, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for shares in a name other than that of the holder of the Rights being transferred or exercised.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- a) In the event the Corporation shall at any time after the Effective Date and prior to the Expiration Time:
- (i) declare or pay a dividend on the Common Shares payable in Common Shares (or other capital stock or securities exchangeable for or convertible into or giving a right to acquire Common Shares or other capital stock) other than pursuant to any optional stock dividend program, dividend reinvestment plan or a dividend payable on Common Shares in lieu of a regular periodic cash dividend;
 - (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
 - (iii) combine or change the then outstanding Common Shares into a smaller number of Common Shares; or
 - (iv) issue any Common Shares (or other capital stock or securities exchangeable for or convertible into or giving a right to acquire Common Shares or other capital stock) in respect of, in lieu of or in exchange for existing Common Shares in a reclassification, amalgamation, merger, statutory arrangement or consolidation,
- the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights shall be adjusted in the manner set forth below. If the Exercise Price and number of Rights outstanding are to be adjusted (x) the Exercise Price in effect after

such adjustment shall be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other capital stock) (the **"Expansion Factor"**) that a holder of one Common Share immediately prior to such dividend, subdivision, change, combination or issuance would hold thereafter as a result thereof and (y) each Right held prior to such adjustment shall become that number of Rights equal to the Expansion Factor, and the adjusted number of Rights will be deemed to be allocated among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision, change, combination or issuance, so that each such Common Share (or other capital stock) will have exactly one Right associated with it. If the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the number of securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, combination or issuance would hold thereafter as a result thereof. If after the Effective Date and prior to the Expiration Time the Corporation shall issue any shares of capital stock other than Common Shares in a transaction of a type described in clause 2.3(a)(i) or (iv), shares of such capital stock shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1 hereof, the adjustment provided for in this Section 2.3 shall be in addition to and shall be made prior to any adjustment required pursuant to Section 3.1 hereof. Adjustments pursuant to Section 2.3(a) shall be made successively, whenever an event referred to in Section 2.3(a) occurs.

In the event the Corporation shall at any time after the Effective Date and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in the preceding paragraph, each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such Common Share.

- (b) In the event the Corporation shall at any time after the Effective Date and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Common Shares of rights or warrants entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares) at a price per Common Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares, having a conversion, exchange or exercise price (including the price required to be paid to purchase such convertible or exchangeable security or right per share)) less than 90% of the Market Price per Common Share on such record date, the Exercise Price shall be adjusted in the manner set forth below. The Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date multiplied by a fraction, of which the numerator shall be the number of Common Shares outstanding on such record date plus the number of Common Shares which the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered (including the price required to be paid to purchase such convertible or exchangeable securities or rights)) would purchase at such Market Price and of which the denominator shall be the number of Common Shares outstanding on such record date plus the number of additional Common Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable). In case such subscription price is satisfied in whole or in part by consideration in a form other than cash the value of such consideration shall be as determined in good faith by the Board of Directors whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights.

Such adjustment shall be made successively whenever such a record date is fixed. For purposes of this paragraph (b), the granting of the right to purchase Common Shares pursuant to any dividend or interest reinvestment plan and/or any Common Share purchase plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and/or the investment of periodic optional payments and/or employee benefit or similar plans (so

long as such right to purchase is in no case evidenced by the delivery of rights or warrants) shall not be deemed to constitute an issue of rights or warrants by the Corporation; provided, however, that in the case of any dividend or interest reinvestment plan, the right to purchase Common Shares is at a price per share of not less than 90% of the current market price per share (determined as provided in such plans) of the Common Shares.

- (c) In the event the Corporation shall at any time after the Effective Date and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than a regular periodic cash dividend or a dividend paid in Common Shares) or rights or warrants entitling them to subscribe for or purchase Common Shares (or Convertible Securities in respect of Common Shares) at a price per Common Share (or, in the case of a Convertible Security in respect of Common Shares having a conversion or exercise price per share (including the price required to be paid to purchase such Convertible Security)) less than 90% of the Market Price per Common Share on such record date (excluding those referred to in Section 2.3(b)), the Exercise Price shall be adjusted in the manner set forth below. The Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date less the fair market value (as determined in good faith by the Board of Directors of the Corporation) of the portion of the assets, evidences of indebtedness, rights or warrants so to be distributed applicable to each of the securities purchasable upon exercise of one Right (such determination to be described in a statement filed with the Rights Agent shall be binding on the Rights Agent and the holders of the Rights). Such adjustment shall be made successively whenever such a record date is fixed.
- (d) Each adjustment made pursuant to this Section 2.3 shall be made as of:
- (i) the payment or effective date for the applicable dividend, subdivision, change, combination or issuance, in the case of an adjustment made pursuant to paragraph (a) above; and
 - (ii) the record date for the applicable dividend or distribution, in the case of an adjustment made pursuant to paragraph (b) or (c) above, subject to readjustment to reverse the same if such distribution shall not be made.
- (e) In the event the Corporation shall at any time after the Effective Date and prior to the Expiration Time issue any shares of capital stock (other than Common Shares), or rights or warrants to subscribe for or purchase any such capital stock, or securities convertible into or exchangeable for any such capital stock, in a transaction referred to in clause 2.3(a)(i) or (iv) above, or if the Corporation shall take any other action (other than the issue of Common Shares) which might have a negative effect on the holders of Rights, if the Board of Directors acting in good faith determines that the adjustments contemplated by paragraphs (a), (b) and (c) above are not applicable or will not appropriately protect the interests of the holders of Rights, the Corporation may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, if the adjustments contemplated by paragraphs (a), (b) and (c) above are applicable, notwithstanding such paragraphs, the adjustments so determined by the Corporation, rather than adjustments contemplated by paragraphs (a), (b) and (c) above, shall be made. The Corporation and the Rights Agent shall amend this Agreement in accordance with Sections 5.4(b) and 5.4(c), as the case may be, to provide for such adjustments.
- (f) Each adjustment to the Exercise Price made pursuant to this Section 2.3 shall be calculated to the nearest cent. Whenever an adjustment to the Exercise Price is made pursuant to this Section 2.3, the Corporation shall:
- (i) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment; and
 - (ii) promptly file with the Rights Agent and with each transfer agent for the Common Shares a copy of such certificate and mail a brief summary thereof to each holder of Rights who requests a copy.

Failure to file such certificate or cause such summary to be mailed as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

- (g) Subject to Section 5.3, irrespective of any adjustment or change in the securities purchasable upon exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the securities so purchasable that were expressed in the initial Rights Certificates issued hereunder.

2.4 Date on Which Exercise is Effective

Each Person in whose name any certificate for Common Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares represented thereby, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- (a) The Rights Certificates shall be executed on behalf of the Corporation by any one of its Chairman of the Board, the President, the Chief Executive Officer, the Chief Financial Officer, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Corporation. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates. Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (manually or by facsimile signature in a manner satisfactory to the Corporation) and mail such Rights Certificates to the holders of the Rights pursuant to Section 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (b) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Registration of Transfer and Exchange

- (a) The Corporation will cause to be kept a register (the "Rights Register") in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed "Rights Registrar" for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times. (b) After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6(d) below, the Corporation shall execute, and the Rights Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.
- (c) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.

- (d) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the registered holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) in connection therewith.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time (i) evidence of ownership of any Rights Certificate, (ii) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate and (iii) such security or indemnity as may be required by each of them in their sole discretion to save each of them and any of their agents harmless, then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon its request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.
- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence an original additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and the holder thereof shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other holders of Rights, duly issued hereunder.

2.8 Persons Deemed Owners

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person, in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever.

2.9 Delivery and Cancellation of Rights Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable law, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended or supplemented from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) that, prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share;
- (c) that, after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein; (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate, or if no certificate evidences the Common Share registration, satisfactory evidence of the associated Common Share registration) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate, or if no certificate evidences the Common Share registration, satisfactory evidence of the associated Common Share registration) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;
- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares upon exercise of a Right (except as provided herein);
- (f) that, subject to the provisions of Section 5.4, without the approval of any holder of Rights or Common Shares and upon the sole authority of the Board of Directors acting in good faith this Agreement may be supplemented or amended from time to time as provided herein; and
- (g) that, notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

ARTICLE 3 ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

- (a) Subject to Sections 3.1(b), 5.1(b), 5.1(c) and 5.1(d), hereof, in the event that prior to the Expiration Time a Flip-in Event shall occur, the Corporation shall take such action as shall be necessary to ensure and provide, within 10 Business Days thereafter or such longer period as may be required to satisfy the requirements of the applicable securities acts or comparable legislation so that, except as provided below, each Right shall thereafter constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Common Shares of the Corporation having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event

that after such date of consummation or occurrence an event of a type analogous to any of the events described in Section 2.3 shall have occurred with respect to such Common Shares).

- (b) Notwithstanding the foregoing or any other provisions of this Agreement, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:
 - (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or
 - (ii) a transferee, direct or indirect, of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with, an Acquiring Person or any Affiliate or Associate of an Acquiring Person) in a transfer made after the date hereof, whether or not for consideration, that the Board of Directors acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person, (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with, an Acquiring Person) that has the purpose or effect of avoiding clause (i) of this Section 3.1(b),

shall become void and any holder of such Rights (including transferees) shall thereafter have no right, to exercise such Rights under any provision of this Agreement and shall not have any other rights whatsoever in respect of such Rights, whether under any provision of this Agreement or otherwise.

- (c) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either clauses (i) or (ii) of Section 3.1(b) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

“ The Rights represented by this Rights Certificate were Beneficially Owned by a Person who was an Acquiring Person or who was an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Rights Agreement) or was acting jointly or in concert with any of them. This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Section 3.1(b) of the Rights Agreement.”,

provided that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall be required to impose such legend only if instructed to do so by the Corporation or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not an Acquiring Person, an Affiliate or Associate thereof or a Person acting jointly or in concert with any of them.

ARTICLE 4 THE RIGHTS AGENT

4.1 General

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-Rights Agents (the “**Co- Rights Agents**”) as it may deem necessary or desirable subject to the approval of the Rights Agent, such approval not to be unreasonably withheld. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine with the approval of the Rights Agent and Co-Rights Agent. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it

hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements reasonably incurred in the execution and administration of this Agreement and the exercise and performance of its duties hereunder. The Corporation also agrees to indemnify the Rights Agent, its current and former directors, officers, employees, affiliates and agents for, and to hold them harmless against, any loss, liability, cost, claim, action, damage or expense, incurred without negligence, bad faith or willful misconduct on the part of the Rights Agent or its current and former directors, officers, employees, affiliates and agents for anything done, suffered or omitted by the Rights Agent in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including the costs and expenses of defending against any claim of liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent. (b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons. The Rights Agent need not investigate any fact or matter stated in any such document, but it may, in its discretion, make such further inquiry or investigation into such facts or matters as it may see fit. (c) The Corporation shall inform the Rights Agent, in a reasonably timely manner, of events which may materially affect the administration of this Agreement by the Rights Agent. At any time, upon request, the Corporation shall provide to the Rights Agent an incumbency certificate with respect to the current directors and officers of the Corporation. (d) None of the provisions of this Agreement shall require the Rights Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- (a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation or consolidation to which the Rights Agent or any successor Rights Agent is a party or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case, at the time such successor Rights Agent succeeds to the agency created by this Agreement, any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement. (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Corporation and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

- (a) The Rights Agent may retain and consult, at the expense of the Corporation, with legal counsel (who may be legal counsel for the Corporation), and the advice, information or opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such advice, information or opinion; the Rights Agent may also, with the approval of the Corporation (such approval not to be unreasonably withheld) and at the expense of the Corporation, consult with such other experts as the Rights Agent shall consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement and the Rights Agent shall be entitled to act and rely in good faith on the advice of any such expert.
- (b) Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a person believed by the Rights Agent to be the Chairman of the Board, the President, the Chief Executive Officer, the Chief Financial Officer, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.
- (c) The Rights Agent will be liable hereunder only for its own negligence, bad faith or willful misconduct and that of its officers, directors and employees.
- (d) The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only.
- (e) The Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Common Share certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable.
- (f) The Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

- (g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any person believed by the Rights Agent to be the Chairman of the Board, the President, the Chief Executive Officer, the Chief Financial Officer, any Vice President, the Secretary or any Assistant Secretary or the Treasurer or any Assistant Treasurer of the Corporation, and to apply to such persons for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in reliance upon instructions of any such person; it is understood that instructions to the Rights Agent shall, except where circumstances make it impracticable or the Rights Agent otherwise agrees, be given in writing and, where not in writing, such instructions shall be confirmed in writing as soon as reasonably possible after the giving of such instructions.
- (h) The Rights Agent and any Affiliate or Associate and any shareholder or stockholder, director, officer or employee of the Rights Agent or any Affiliate or Associate may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity.
- (i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or with the prior written consent of the Corporation, such consent not to be unreasonably withheld, through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided the prior written consent of the Corporation was obtained and reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail, and to the holders of the Rights in accordance with Section 5.9 (all of which shall be at the expense of the Corporation). The Corporation may remove the Rights Agent upon 30 days' notice in writing given to the Rights Agent and to each transfer agent of the Common Shares (by personal delivery or registered or certified mail). If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then the resigning Rights Agent, at the expense of the Corporation, or any holder of any Rights may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Ontario. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall, upon the receipt of all outstanding fees and expenses, deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares and mail a notice thereof in writing to the holders of the Rights. The cost of giving any notice required under this Section 4.4 shall be borne solely by the Corporation. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

4.5 Compliance with Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any sanctions legislation or regulation or applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any sanctions legislation or regulation or applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance to the extent permitted by any sanctions legislation or regulation or applicable anti-money laundering or anti-terrorist legislation, regulation or guideline; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

4.6 Privacy Provision

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

4.7 Liability

Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages. Any liability of the Rights Agent will be limited in the aggregate to an amount equal to the annual fee paid by the Corporation pursuant to this Agreement. This Section 4.7 shall survive the termination of this Agreement or the resignation or removal of the Rights Agent.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption and Termination

- (a) The Board of Directors acting in good faith may, with the prior approval of holders of Common Shares or of the holders of Rights given in accordance with Section 5.1(f) or 5.1(g), as applicable, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to the provisions of this Section 5.1, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.000001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").

- (b) The Board of Directors acting in good faith may, with the prior approval of the holders of Common Shares given in accordance with Section 5.1(f), determine, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to this Section 5.1, if such Flip-in Event would occur by reason of an acquisition of Common Shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Common Shares and otherwise than in the circumstances set forth in Section 5.1(d), to waive the application of Section 3.1 to such Flip-in Event. In the event that the Board of Directors proposes such a waiver, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of shareholders called to approve such waiver.
- (c) The Board of Directors acting in good faith may, prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived under this clause, determine, upon prior written notice to the Rights Agent, to waive the application of Section 3.1 to that Flip-in Event provided that the Flip-in Event would occur by reason of a Take-over Bid made by means of a Takeover Bid circular sent to all holders of record of Common Shares; further provided that if the Board waives the application of Section 3.1 to such a Flip-in Event, the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid made by means of a Take-over Bid circular to all holders of record of Common Shares which is made prior to the expiry of any Take-over Bid in respect of which a waiver is, or is deemed to have been, granted under this Section 5.1(c).
- (d) The Board of Directors acting in good faith may, in respect of any Flip-in Event, waive or agree to waive the application of Section 3.1 to that Flip-in Event, provided that both of the following conditions are satisfied:
- (i) the Board of Directors has determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and
 - (ii) such Acquiring Person has reduced its Beneficial Ownership of Common Shares such that at the time of waiver pursuant to this Section 5.1(d) it is no longer an Acquiring Person.
- (e) Where, pursuant to a Permitted Bid, a Competing Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived, or is deemed to have waived, pursuant to Section 5.1(c), the application of Section 3.1, a Person acquires outstanding Common Shares, then the Board of Directors shall immediately upon the consummation of such acquisition without further formality and without any approval under Sections 5.4(b) or 5.4(c) be deemed to have elected to redeem the Rights at the Redemption Price.
- (f) If a redemption of Rights pursuant to Section 5.1(a) or a waiver of a Flip-in Event pursuant to Section 5.1(b) is proposed at any time prior to the Separation Time, such redemption or waiver shall be submitted for approval to the holders of Common Shares. Such approval shall be deemed to have been given if the redemption or waiver is approved by the affirmative vote of a majority of the votes cast by Independent Shareholders represented in person or by proxy at a meeting of such holders duly held in accordance with applicable laws and the Corporation's by-laws.
- (g) If a redemption of Rights pursuant to Section 5.1(a) is proposed at any time after the Separation Time, such redemption shall be submitted for approval to the holders of Rights. Such approval shall be deemed to have been given if the redemption is approved by a majority of the votes cast by the holders of Rights represented in person or by proxy at and entitled to vote at a meeting of such holders. For the purposes hereof, each outstanding Right (other than Rights which are Beneficially Owned by any Person referred to in clauses (i) to (v) inclusive of the definition of Independent Shareholders) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the Business Corporations Act with respect to meetings of shareholders of the Corporation.
- (h) Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board may elect to redeem all the outstanding Rights at

the Redemption Price. Upon such redemption, all of the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and it shall be deemed not to have occurred and the Corporation shall be deemed to have issued replacement Rights to the holders of its then outstanding Common Shares, subject to and in accordance with the provisions of this Agreement.

- (i) If the Board of Directors elects or is deemed to have elected to redeem the Rights, and, in circumstances where Section 5.1(a) is applicable, such redemption is approved by the holders of Common Shares or the holders of Rights in accordance with Section 5.1(f) or 5.1(g), as applicable, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights will be to receive the Redemption Price.
- (j) Within 10 Business Days of the Board of Directors electing or having been deemed to have elected to redeem the Rights or, if Section 5.1(a) is applicable within 10 Business Days after the holders of Common Shares or the holders of Rights have approved a redemption of Rights in accordance with Section 5.1(f) or 5.1(g), as applicable, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at its last address as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided will be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The Corporation may not redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 5.1 or in connection with the purchase of Common Shares prior to the Separation Time.
- (k) The Corporation shall give prompt written notice to the Rights Agent of any waiver of the application of Section 3.1 made by the Board of Directors under this Section 5.1.

5.2 Expiration

No Person shall have any rights pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1(a) of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number of or kind or class of shares purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Corporation may make amendments to this Agreement to correct any clerical or typographical error or which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulations thereunder. The Corporation may, prior to the date of the shareholders' meeting referred to in Section 5.18, supplement, amend, vary, rescind or delete any of the provisions of this Agreement without the approval of any holders of Rights or Common Shares (provided that such action would not materially adversely affect the interests of the holders of Rights generally) where the Board of Directors acting in good faith deems such action necessary or desirable. Notwithstanding anything in this Section 5.4 to the contrary, no such supplement or amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.

- (b) Subject to Section 5.4(a), the Corporation may, with the prior consent of the holders of Common Shares, obtained as set forth below, at any time prior to the Separation Time, supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the votes cast by Independent Shareholders present or represented at and entitled to be voted at a meeting of the holders of Common Shares duly called and held in compliance with applicable laws and the articles and by-laws of the Corporation.
- (c) Subject to Section 5.4(a), the Corporation may, with the prior consent of the holders of Rights, at any time on or after the Separation Time, supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if such amendment, variation or deletion is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders held in accordance with Section 5.4(d) and representing 50% plus one of the votes cast in respect thereof.
- (d) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the Business Corporations Act with respect to meetings of shareholders of the Corporation.
- (e) Any amendment made by the Corporation to this Agreement pursuant to Section 5.4(a) other than any amendment to correct any clerical or typographical error shall:
 - (i) if made before the Separation Time, be submitted to the shareholders of the Corporation at the next meeting of shareholders and the shareholders may, by the majority referred to in Section 5.4(b), confirm or reject such amendment; and
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in subsection 5.4(d), confirm or reject such amendment. Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights as the case may be.
- (f) The Corporation shall be required to provide the Rights Agent with notice in writing of any such amendment, rescission or variation to this Agreement as referred to in this Section 5.4 within five days of effecting such amendment, rescission or variation.

- (g) Any supplement or amendment to this Agreement pursuant to Section 5.4(b) through 5.4(e) shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority having jurisdiction over the Corporation, including without limitation any requisite approval of stock exchanges on which the Common Shares are listed.

5.5 Fractional Rights and Fractional Shares

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time there shall be paid to the registered holders of the Rights Certificates with regard to which fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the Market Price of a whole Right in lieu of such fractional Rights as of the date such fractional Rights would otherwise be issuable. The Rights Agent shall have no obligation to make any payments in lieu of fractional Rights unless the Corporation shall have provided the Rights Agent with the necessary funds to pay in full all amounts payable in accordance with Section 2.2(e).
- (b) The Corporation shall not be required to issue fractional Common Shares upon exercise of the Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall pay to the registered holder of Rights Certificates at the time such Rights are exercised as herein provided, an amount in cash equal to the same fraction of the Market Price of one Common Share at the date of such exercise. The Rights Agent shall have no obligation to make any payments in lieu of fractional Common Shares unless the Corporation shall have provided the Rights Agent with the necessary funds to pay in full all amounts payable in accordance with Section 2.2(e).

5.6 Rights of Action

Subject to the terms of this Agreement, rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights; and any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights, or Rights to which he is entitled, in the manner provided in this Agreement and in such holder's Rights Certificate. Without limiting the foregoing or any remedies available to the holders of Rights it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of, the obligations of any Person subject to this Agreement.

5.7 Holder of Rights Not Deemed a Shareholder

No holder, as such, of any Rights or Rights Certificates shall be entitled to vote, receive dividends or be deemed for any purpose the holder of Common Shares or any other securities which may at any time be issuable on the exercise of Rights, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights, as such, any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in Section 5.8 hereof), or to receive dividends or subscription rights or otherwise, until such Rights, or Rights to which such holder is entitled, shall have been exercised in accordance with the provisions hereof.

5.8 Notice of Proposed Actions

In case the Corporation shall propose after the Separation Time and prior to the Expiration Time:

- (a) to effect or permit (in cases where the Corporation's permission is required) any Flip-in Event; or

- (b) to effect the liquidation, dissolution or winding up of the Corporation or the sale of all or substantially all of the Corporation's assets, then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.9 hereof, a notice of such proposed action, which shall specify the date on which such Flip-in Event, liquidation, dissolution, or winding up is to take place, and such notice shall be so given at least 10 Business Days prior to the date of taking of such proposed action by the Corporation.

5.9 Notices

Notices or demands to be given or made in connection with this Agreement by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered or sent by mail, postage prepaid or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Corporation following the giving of the notice or demand by fax), addressed (until another address is filed in writing with the Rights Agent) as follows:

Calian Group Ltd.
770 Palladium Drive
Ottawa, Ontario K2V 1C8

Attention: Corporate Secretary
Fax: 613-592-7771

Notices or demands to be given or made in connection with this Agreement by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered or sent by mail, postage prepaid, or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Rights Agent following the giving of the notice or demand by fax), addressed (until another address is filed in writing with the Corporation) as follows:

AST Trust Company (Canada)
1 Toronto Street, Suite 1200
Toronto, ON M5C 2V6

Attention: Relationship Manager
Fax: 1-877-715-0494

Notices or demands to be given or made in connection with this Agreement by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid, or by fax (with, in the case of fax, an original copy of the notice or demand sent by first class mail, postage prepaid, to such holder following the giving of the notice or demand by fax), addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for the Common Shares.

Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of faxing (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

If mail service is or is threatened to be interrupted at a time when the Corporation or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Corporation or the Rights Agent may, notwithstanding the foregoing provisions of this Section 5.9, give such notice by means, of publication once in each of two successive weeks in the business section of The Globe and Mail or in such other publication or publications as may be designated by the Corporation and notice so published shall be deemed to have been given on the date on which the first publication of such notice in any such publication has taken place.

5.10 Costs of Enforcement

The Corporation agrees that if the Corporation fails to fulfil any of its obligations pursuant to this Agreement, then the Corporation will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder in actions to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.13 Descriptive Headings

Descriptive headings appear herein for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

5.14 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Ontario and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.15 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto and/or resulting therefrom be drawn up in the English language.

5.16 Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

5.17 Severability

If any term or provision hereof or the application thereof to any circumstance is, in any jurisdiction and to any extent, invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

5.18 Effective Date

This Agreement is effective as of and from the Effective Date, subject to receipt of all required regulatory approvals. At the first annual meeting of the Corporation's shareholders after the Effective Date, which meeting shall be held within six months after the Effective Date, the Corporation shall request that the Independent Shareholders ratify and confirm this Agreement. If the Corporation does not request that its shareholders confirm this Agreement in accordance with this Section, or if a majority of the votes cast by Independent Shareholders who vote in respect of such resolution are voted against the continued existence of this Agreement, then this Agreement and any outstanding Rights shall terminate and be void and of no further force or effect on and from the close of the applicable meeting of shareholders.

5.19 Shareholder Review

This Agreement must be reconfirmed at every third annual general meeting of the Corporation's shareholders held after the first shareholder meeting at which this Agreement is first confirmed. If this Agreement is not so reconfirmed or is not presented for reconfirmation at any such annual general meeting, this Agreement and all outstanding Rights shall terminate and be void and of no further force or effect on and from the close of the applicable annual general meeting; provided, however, that termination shall not occur if a Flip-In Event has occurred (other than a Flip-In Event which has been waived pursuant to Section 5.1(b) or 5.1(d) hereof), prior to the date upon which this Agreement would otherwise terminate pursuant to this Section.

5.20 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite acceptance, approval or consent from any applicable governmental or regulatory authority. Without limiting the generality of the foregoing, any issuance or delivery of debt or equity securities (other than nonconvertible debt securities) of the Corporation upon the exercise of Rights and any amendment or supplement to this Agreement shall be subject to the prior acceptance, approval or consent of the Toronto Stock Exchange or any other exchange upon which the Common Shares of the Corporation may be listed.

5.21 Declaration as to Non-Canadian Holders

If in the opinion of the Board of Directors (who may rely upon the advice of counsel), any action or event contemplated by this Agreement would require compliance with the securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors acting in good faith may take such actions as it may deem appropriate to ensure that such compliance is not required, including without limitation establishing procedures for the issuance to a Canadian resident Fiduciary of Rights or securities issuable on exercise of Rights, the holding thereof in trust for the Persons entitled thereto (but reserving to the Fiduciary or to the Fiduciary and the Corporation, as the Corporation may determine, absolute discretion with respect thereto) and the sale thereof and remittance of the proceeds of such sale, if any, to the Persons entitled thereto. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to Persons who are citizens, residents or nationals of any jurisdiction other than Canada and a province or territory thereof in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.22 Determinations and Actions by the Board of Directors

All actions and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors pursuant to this Agreement, in good faith, shall not subject any member of the Board of Directors to any liability whatsoever to the holders of the Rights.

5.23 Rights of the Board of Directors

Without limiting the generality of the foregoing, nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to recommend that the holders of Common Shares and/or Convertible Securities reject or accept any Take-over Bid or take any other action (including, without limitation, the commencement, prosecution, defence or settlement of any litigation and the submission of additional or alternative Take-over Bids or other proposals to the holders of Common Shares and/or Convertible Securities) with respect to any Take-over Bid or otherwise that the Board of Directors believes is necessary or appropriate in the exercise of its fiduciary duties.

5.24 Time of the Essence

Time shall be of the essence in this Agreement.

EXHIBIT A

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CALIAN GROUP LTD.

PER. Patrick Houston
Name: Patrick Houston
Title: Corporate Secretary /cto

AST TRUST COMPANY (CANADA)

PER: _____
Name: **TONI TACCOGNA**
Title: **AUTHORIZED SIGNATORY**

PER: _____
Name: **HELEN KIM**
Title: **AUTHORIZED SIGNATORY**

FORM OF RIGHTS CERTIFICATE

Certificate No. _____
_____ Rights

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. IN CERTAIN CIRCUMSTANCES (SPECIFIED IN SUBSECTION 3.1(b) OF THE RIGHTS AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR TRANSFEREE OF AN ACQUIRING PERSON OR ITS AFFILIATES OR ASSOCIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR ANY PERSON ACTING JOINTLY OR IN CONCERT WITH ANY OF THEM MAY BECOME VOID.

Rights Certificate

This certifies that _____ is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the 2020 Shareholder Rights Plan Agreement dated as of December 11, 2019, as such may from time to time be amended, restated, varied or replaced, (the **"Rights Agreement"**) between Calian Group Ltd., a corporation organized under the laws of Canada (the **"Corporation"**), and AST Trust Company (Canada), a trust company existing under the federal laws of Canada, as Rights Agent (the **"Rights Agent"**), which term shall include any successor Rights Agent under the Rights Agreement, to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the Expiration Time (as such term is defined in the Rights Agreement), one fully paid common share of the Corporation (a **"Common Share"**) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate together with the Form of Election to Exercise duly executed to the Rights Agent at its principal office in the City of Toronto or in such other cities as may be designated by the Corporation from time to time. Until adjustment thereof in certain events as provided in the Rights Agreement, the Exercise Price shall be: (i) until the Separation Time, an amount equal to three times the Market Price (as such term is defined in the Rights Agreement), from time to time, per Common Share; and (ii) from and after the Separation Time, an amount equal to three times the Market Price, as at the Separation Time, per Common Share.

In certain circumstances described in the Rights Agreement, the number of Common Shares which each Right entitles the registered holder thereof to purchase shall be adjusted as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the registered office of the Corporation and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Corporation at a redemption price of \$0.000001 per Right, subject to adjustment in certain events, under certain circumstances at its option.

No fractional Common Shares will be issued upon the exercise of any Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the Rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation and its corporate seal.

Date: _____

CALIAN GROUP LTD.

By: _____

Authorized Officer

Countersigned:

AST TRUST COMPANY (CANADA)

By: _____

Authorized Officer

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights represented by this Rights Certificate.)

FOR VALUE RECEIVED _____

hereby sells, assigns and transfers to _____

-

(Please print name and address of transferee)

the Rights represented by this Rights Certificate, together with all right, title and interest therein, and hereby irrevocably constitutes and appoints _____ as attorney, to transfer the within Rights on the books of the

Corporation, with full power of substitution.

Dated:

Signature Guaranteed:

Signature
(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule 1 chartered bank, a major Canadian trust company, a member of a recognized stock exchange or a member of a recognized Medallion Program (STAMP, MSP or SEMP).

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated:

Signature:
(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

NOTICE

In the event the certification set forth above in the Form of Election to Exercise is not completed upon exercise of the Right(s) evidenced hereby or in the event that the certification set forth above in the Form of Assignment is not completed upon the assignment of the Right(s) evidenced hereby, the Corporation will deem the Beneficial Owner of the Right(s) evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof or a Person acting jointly or in concert with any of them (each as defined in the Rights Agreement) and, in the case of an assignment, will affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.

(To be attached to each Rights Certificate)

FORM OF ELECTION TO EXERCISE

TO: CALIAN GROUP LTD.

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares (or other securities or property) issuable upon the exercise of such Rights and requests that certificates for such shares (or other, securities or title to such property) be issued in the name of:

(Name)

(Street)

(City and State or Province)

(Country, Postal Code or Zip Code)

SOCIAL INSURANCE, SOCIAL SECURITY OR
OTHER TAXPAYER IDENTIFICATION NUMBER

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

(Name)

(Street)

(City and State or Province)

(Country, Postal Code or Zip Code)

SOCIAL INSURANCE, SOCIAL SECURITY OR
OTHER TAXPAYER IDENTIFICATION NUMBER

Dated:

Signature:
(Signature must correspond to name as
written upon the face of this Rights Certificate
in every particular, without alteration or
enlargement or any change whatsoever.)

Signature must be guaranteed by a Canadian Schedule 1 chartered bank, a major Canadian trust company, a member of a recognized stock exchange or a member of a recognized Medallion Program (STAMP, MSP or SEMP).

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated:

Signature:

NOTICE

In the event the certification set forth above in the Form of Election to Exercise is not completed upon exercise of the Right(s) evidenced hereby or in the event that the certification set forth above in the Form of Assignment is not completed upon the assignment of the Right(s) evidenced hereby, the Corporation will deem the Beneficial Owner of the Right(s) evidenced by this Rights Certificate to be an Acquiring Person, an Affiliate or Associate thereof or a Person acting jointly or in concert with any of them (each as defined in the Rights Agreement) and, in the case of an assignment, will affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.

NOTICE OF ANNUAL AND SPECIAL
MEETING OF SHAREHOLDERS
ON FEBRUARY 15, 2023

2022 MANAGEMENT INFORMATION CIRCULAR



www.calian.com