

One Calian.

Endless
Possibilities.

Notice of Annual and Special
Meeting of Shareholders
on February 15, 2024

Management
Information Circular **2023**

One Calian. Endless Possibilities.

This year's theme, "One Calian. Endless Possibilities.", reflects our new three-year strategic plan: "One Vision, One Purpose, One Calian 2026".

Our goal is to continue to build a purpose-driven organization that has a strong values foundation and is growing profitably. We realize the impact we have on the world through the mission-critical work that we do every day. We help the world communicate, innovate, learn and lead safe and healthy lives.

The cover image portrays unity, a tower of four rocks representing the strength of our four segments working together to reach our \$1 billion revenue goal by the end of FY26. The ripples in the water symbolize the endless possibilities that our teamwork can achieve and the far-reaching impact Calian has on the world.

Kevin Ford, CEO, Calian Group Ltd.

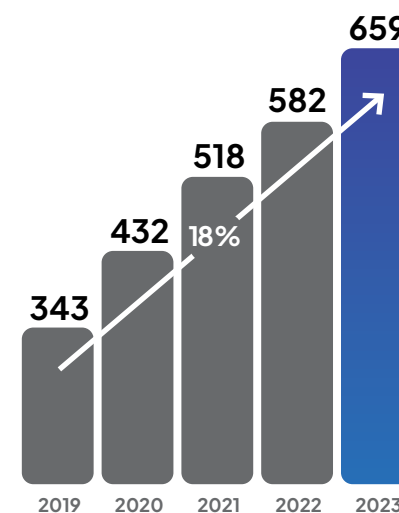


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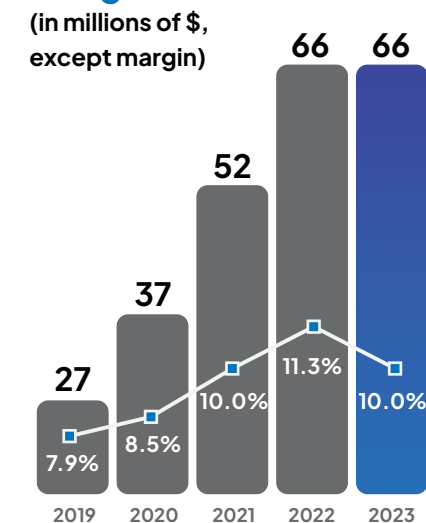
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Key Performance Indicators

Revenue
(in millions of \$)

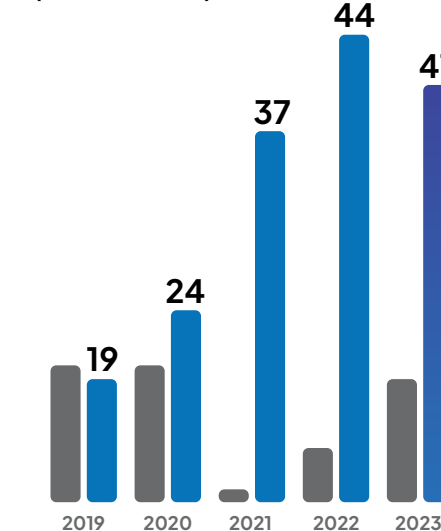


Adjusted EBITDA¹ & Adjusted EBITDA Margin¹
(in millions of \$, except margin)



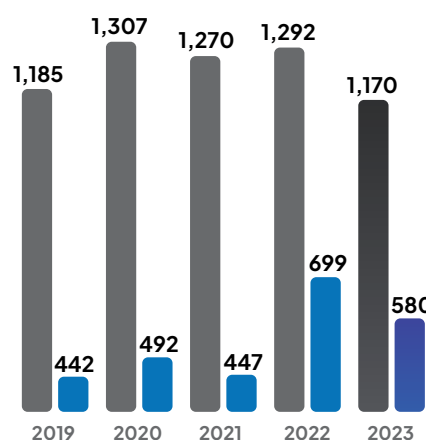
● Adj. EBITDA¹
● Adj. EBITDA %¹

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



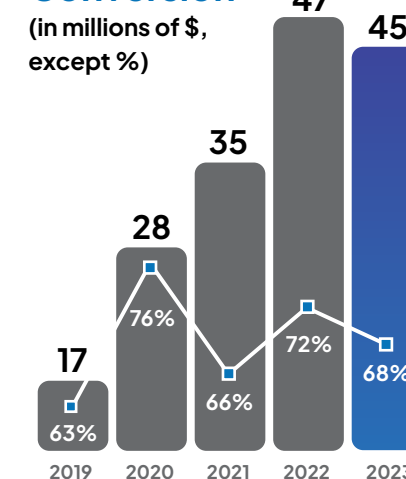
● Net Profit
● Adjusted Net Profit¹

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



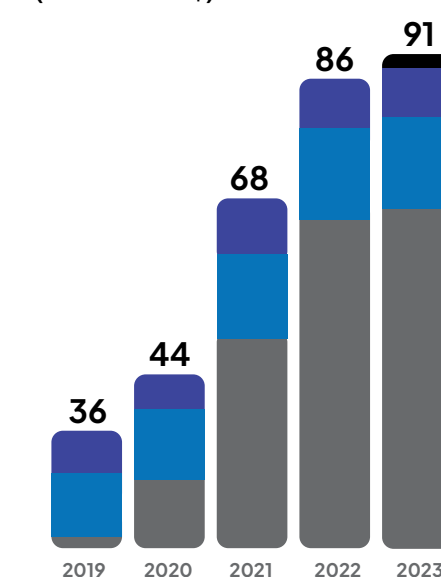
● Backlog
● Gross New Contract Signings

Operating Free Cash Flow¹ & Operating Free Cash Flow Conversion¹
(in millions of \$, except %)



● OFCF¹
● OFCF Conversion¹

Capital Allocation
(in millions of \$)



● Acquisitions
● Dividends
● Capex
● Share Buyback

¹ This is a non-GAAP measure mainly derived from the consolidated financial statements, but does not have a standardized meaning prescribed by IFRS. Please refer to the Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures section of the Management's Discussion and Analysis.

Letter to Shareholders

This year marks another record year for Calian. Our objective of delivering double digit growth was once again achieved, making this the 6th consecutive year, and our guidance for FY24 indicates continued growth. We continued to grow and expand our operations, enhanced our governance and made progress on our ESG journey. We successfully positioned the company on its journey to reach one billion dollars in revenues by the end of fiscal year 2026.

Record Financial Results

Fiscal 2023 was another record year on several key performance indicators. Revenues increased 13% to reach \$659 million, driven by growth in all four operating segments. This represented the sixth consecutive year of double-digit revenue growth.

Gross profit surpassed the \$200-million mark for the first time and gross margin attained its highest level ever for a single year at 31.0%, driven by an increase in volume and a favourable revenue mix.

Adjusted EBITDA¹ slightly increased compared to last year as it was impacted by a reduction in volume from our Information Technology & Cyber Solutions (ITCS) segment as well as various growth investments we made at the end of Fiscal 2022. We addressed these higher operating expenses by implementing a restructuring plan midway through the fourth quarter, which is expected to generate annual savings of about \$8 million.

We finished the year with net profit of \$19 million (\$13.6M in FY22), or \$1.61 per diluted share (\$1.19 per share in FY22), making this the 22nd consecutive year of profitable growth.

Continued Growth and Expansion

During the year, we continued to grow and expand our operations by signing new contracts, investing in innovation and making strategic acquisitions.

We signed \$580 million in new contracts with new and existing customers. Key examples include deals with MDA, Shared Services Canada, Immigration, Refugees and Citizenship Canada (IRCC), Canada Centre for Mapping and Earth Observation (CCMEO) and a number of projects for military training in NATO countries.

We also invested in innovation. We made a \$2.7 million investment in Field Effect Software, developed features for our training software in cooperation with NATO and received funding from the Canadian Space Agency to further develop RF over IP technology².

Furthermore, we completed strategic acquisitions. We acquired Hawaii Pacific Teleport (HPT), a U.S. satellite communications provider. In addition to expanding our footprint in the U.S. and the Pacific, HPT brings a strong mix of recurring revenue streams, cross selling opportunities and a high margin

business. Subsequent to year end, we completed the acquisition of Decisive Group, a leader in the IT infrastructure and cyber security services business in Ontario, rounding out current IT and Cyber Solutions portfolio in North America.

As a result of these initiatives, we continued to diversify our revenue streams by customer, geography and offering. As at September 30, 2023, our total revenue segmentation was as follows: commercial customers represented 52% (48% government), international business represented 29% (71% in Canada), while products represented 24% (76% services).

Balanced Capital Allocation

Our strong profitability translated into operating free cash flow of \$45 million and represented a 68% conversion rate from adjusted EBITDA. We used our cash to make acquisitions of \$68 million, invest in capex of \$8 million as well as provide a return to shareholders in the form of dividends of \$13 million and share buybacks of \$2 million. In fact, we launched a normal course issuer bid in September to enhance shareholder value following the financial market reaction to our third quarter results.

After closing a new debt facility of \$250 million in July, we ended the year with \$176 million of net liquidity to pursue our growth.

Enhanced Governance

Our board bench strength increased with the addition of Lori O'Neill in February. Lori brings a wealth of experience in strategic planning, complex financial matters and mergers and acquisitions, which will be an asset as we execute our ambitious growth strategy. The total number of board members now stands at eight, of which seven are independent and half are women.

During the year, we continued to build on our well-established corporate governance practices. We put in place new policies, including a director commitment policy (dealing with overboarding), an enhanced enterprise risk management policy and a business continuity policy.

We also progressed on our ESG journey. We conducted our first formal materiality assessment and built action plans related to our stakeholders' key priorities. We completed the development of our Taskforce on Climate-Related Financial Disclosure (TCFD) roadmap which allowed us to deliver our first formal TCFD report. We committed to the Canada Net-Zero Challenge and met the year-one program requirements which commit us to hitting net-zero by 2050. Finally, we made our first submission to the Climate Disclosure Project (CDP) and were proud to be named an Indigenous Works Employer of Choice.

Looking ahead

On October 1, 2023, we launched our new three-year strategic plan called One Vision, One Purpose, One Calian 2026. This plan has the objective of reaching one billion dollars in revenue by continuing to deploy capital effectively, invest in innovation, continue to expand our global operations and invest in our talent. We are confident that we can achieve this target given our pristine balance sheet, growth momentum, solid backlog of \$1.2 billion, robust pipeline of acquisitions and our strong team. We are well on our way with the first year of our plan targeting to reach \$760 million, the midpoint of our guidance range.

In closing, I would like to thank our customers for their loyalty, our employees for their dedication and resiliency, our suppliers for their collaboration and our shareholders for their continued support.



George Weber
Chair

¹ This is a non-GAAP measure mainly derived from the consolidated financial statements, but does not have a standardized meaning prescribed by IFRS. Please refer to the Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures section of the Management's Discussion and Analysis.

² RF over IP is the ability to digitize and transport radio frequency signals over an internet protocol network without data loss, removing many limitations found in analog RF



Notice of 2024 Annual and Special Meeting of Shareholders

WHEN

February 15, 2024
10:00 AM (ET)

WHERE

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

RECORD DATE

December 18, 2023

Items of business

- 1) To receive the audited consolidated financial statements of the Corporation for the financial year ended September 30, 2023, 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, confirming and ratifying the Amended and Restated Stock Option Plan of the Corporation and approving the proposed maximum number of common shares of 7% of the outstanding common shares issuable thereunder and under all other security based compensation arrangements of the Corporation ("Compensation Maximum") as well as all unallocated options, rights and entitlements thereunder
 - 5) To consider and, if deemed advisable, pass an ordinary resolution authorizing the adoption of a Restated Restricted Share Unit Plan of the Corporation and approving the Compensation Maximum as well as all unallocated options, rights and entitlements thereunder
 - 6) 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, 2023, and the management's discussion and analysis relating to such financial statements are available on www.sedarplus.ca 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, 2024.

If you are a registered shareholder a form of proxy is enclosed. A copy of the proxy is also available on SEDAR at www.sedarplus.ca 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 Odyssey Trust Company at Odyssey Trust Company, 702-67 Young Street, Toronto, ON, M5E 1J8, not later than 10:00 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 18, 2023





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, Odyssey Trust Company by one of the following methods:

 **by mail:** 702-67 Young Street, Toronto, ON, M5E 1J8,
Attn: Proxy Department
in the addressed envelope enclosed with your proxy

 **by email** to proxy@odysseytrust.com

 **online** at <https://login.odysseytrust.com/pxlogin>

 **to the Secretary** of the Corporation

no later than 10:00 a.m. (Eastern Time) on Monday, February 13, 2024.

Management Information Circular

Notice and Access

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 18, 2023 (the record date), which entitles you to attend our 2024 annual and special meeting of shareholders and vote your shares.

This year's meeting will be held in person on February 15, 2024 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, 2024, 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.sedarplus.ca). 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 18, 2023. The record date for the meeting is December 18, 2023.

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, 2024 Annual and Special Meeting of Shareholders

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

"You" means Calian shareholders

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, 2023, and the Management's Discussion and Analysis relating to such financial statements are available on SEDAR at www.sedarplus.ca 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.

Forward-looking statements

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 18, 2023 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

The voting securities of the Corporation consist of an unlimited number of common shares. As of December 18, 2023, the Corporation had issued and outstanding 11,834,924 common shares. Each common share carried one vote in respect of each matter to be voted upon at the Meeting. The Calian board has fixed the close of business on December 18, 2023 as the record date for the purpose of determining shareholders entitled to receive notice of and to vote at the Meeting. Only holders of common shares of record at the close of business on the Record Date are entitled to vote at the Meeting. As of the Record Date, Mawer Investment Management Ltd. ("Mawer") is the only person or company known by the directors and officers of the Corporation to beneficially own, or control or direct, directly or indirectly, greater than 10 percent (10%) of the common shares of the Corporation. As of the Record Date, Mawer beneficially owned, or controlled or directed approximately 15% of the total common shares then outstanding.

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, 2024 at 10:00 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 18, 2023. 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.

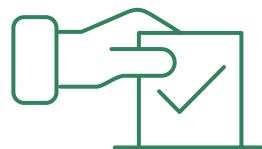
Revocation of proxies by registered holders

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 (2) 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.



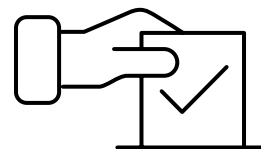


Registered shareholders

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.sedarplus.ca 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 Odyssey Trust Company, Attn Proxy Department, 702-67 Young Street, Toronto, ON, M5E 1J8, not later than 10:00 a.m. (Eastern Time) on Monday, February 13, 2024 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 email or online.



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, Odyssey 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, 2023 (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 2023 Annual Report which accompanies this Circular.

The Corporation has filed an Annual Information Form (the “AIF”) for its 2023 fiscal year and its 2023 Annual Report on SEDAR at www.sedarplus.ca 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. 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

Kevin Ford

Lori O’Neill

Young Park

Jo–Anne Poirier

Ronald Richardson

Valerie Sorbie

Further information on the Calian Majority Voting Policy is provided on page 18. Profiles of the nominated directors are provided beginning on page 19. Further information on the Calian Term Limits Policy and the Director Commitments Policy can be found on pages 48 and 49 respectively. All nominees are in compliance with these policies

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.

3 Appointment of Auditors

At the Meeting shareholders will be asked to appoint KPMG LLP as auditors of the Corporation and to authorize the directors to fix the auditors’ remuneration. KPMG LLP was first appointed as the Corporation’s auditors on February 15, 2023.

Unless the shareholder directs its Common Shares to be withheld from voting in the appointment of auditors, the persons designated in the enclosed proxy will vote FOR the re-appointment of KPMG LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix the auditors’ remuneration.

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

4 Approve, Confirm and Ratify the Amended and Restated Stock Option Plan

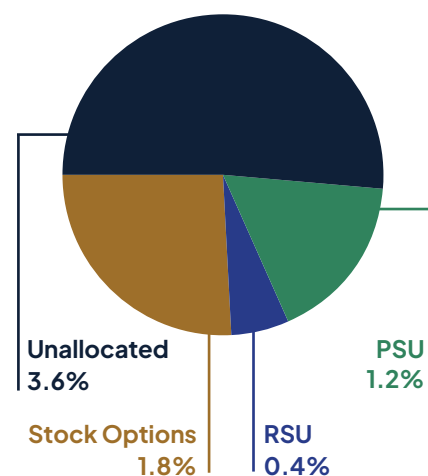
A summary of the material terms and conditions of the Corporation’s Stock Option Plan (the “SOP” or “Stock Option Plan”) are described in Appendix “B” attached hereto. On November 27, 2023, the Calian board approved the Amended and Restated Stock Option Plan (the “A&R SOP”) which included, among other things, the following amendments to the SOP:

- To change the definition of “Business Day” such that it includes days that are not Saturdays, Sundays or statutory or legal holidays in the jurisdiction in which the participant works, versus it being limited to Ottawa, Ontario.

- To include clarifying language to the definition of “Cause” to the effect that, for participants employed in Ontario, Canada, “Cause” is limited to wilful misconduct, disobedience or wilful neglect of duty that is not trivial and has not been condoned by the employer.
- To include clarifying language to the definition of “Termination Date” to the effect that an optionee shall not receive any other entitlements contemplated in the A&R SOP in respect of the termination of their employment (including in the event of constructive or wrongful dismissal), whether by contract, common law or otherwise, that are beyond the termination date.
- To reduce the maximum aggregate number of Common Shares that may be issued pursuant to the exercise of stock options granted pursuant to the A&R SOP, together with the aggregate number of Common Shares issuable under any other security based compensation arrangements of the Corporation, from 9% to 7% of the outstanding Common Shares at that time.
- To add a provision dealing with the Corporation’s compensation recovery policy (the “Clawback Policy”), which was adopted on December 11, 2023 (the “Clawback Policy Effective Date”). In particular, all stock options granted on or after the Clawback Policy Effective Date (and any cash amounts paid or Common Shares issued thereunder) shall be subject to the Clawback Policy.



The amendments described above are intended as a summary only and



are qualified in their entirety by reference to the A&R SOP which is attached as Appendix “[B]” hereto. In Fiscal 2023, a total of 1.8% of the allotment was granted in the form of equity compensation (2022 – 0.7%, 2021 – 0.4%). As of September 30, 2023, the company had 3.6% of this total pool unallocated (2022 – 4.6%, 2021 – 4.8%). 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.

The table below illustrates the company’s grant history against the SOP and restricted share unit plans previously approved by shareholders in 2023 for SOP, 2020 and 2016.

	2023	2022	2021	2020	2019
Equity Instruments Granted					
Stock Options	23,542	40,646	29,175	132,538	128,600
RSU	30,132	27,679	19,989	23,015	36,693
PSU	158,500	9,522	-	-	-
Total	212,174	77,847	49,164	155,553	165,293
% of equity pool outstanding					
Stock Options	1.8%	1.9%	1.8%	2.4%	3.0%
RSU	0.4%	0.4%	0.4%	0.6%	0.6%
PSU	1.2%	0.1%	-	-	-
Total Outstanding	3.4%	2.4%	2.2%	2.9%	3.6%
Total Unallocated	3.6%	4.6%	4.8%	4.1%	3.4%
Pool	7.0%	7.0%	7.0%	7.0%	7.0%

If approval is obtained at the meeting, Calian will not be required to seek further approval of the grant of unallocated options under the A&R SOP until the Calian 2027 Annual Shareholders Meeting and all current outstanding stock options will become subject to the A&R SOP. The A&R SOP is required to be ratified by shareholders every three years. If approval is not obtained at the Meeting, the current approved plan will continue until February 15, 2026 (the third anniversary of the last shareholder approval of the SOP).

At the meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, the resolution set out in Appendix “[B]” hereto (“the A&R SOP Resolution”). To be effective, the A&R SOP 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 A&R SOP Resolution.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the A&R SOP 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 Adopt a New Restricted Share Unit Plan

At the meeting, shareholders will be asked to consider and, if deemed advisable, pass an ordinary resolution authorizing the adoption of a Restricted Share Unit Plan of the Corporation (the “New RSU Plan”) and approving the proposed maximum number of Common Shares of 7% of the outstanding Common Shares issuable thereunder and under all other security based compensation arrangements of the Corporation as well as all unallocated options, rights and entitlements thereunder.

The former RSU plan remains in effect to govern the previously issued RSUs under that plan. However no further grants of awards will be made under the former RSU plan. New RSU grants will be made under the New RSU Plan. The New RSU Plan is required to be ratified by shareholders every three years.

See Appendix “[C]” attached hereto for further details concerning the New RSU Plan. The information related to the New RSU Plan in this Circular is intended as a summary only and is qualified in its entirety by reference to the New RSU Plan, which is also attached as Appendix “[C]” hereto.

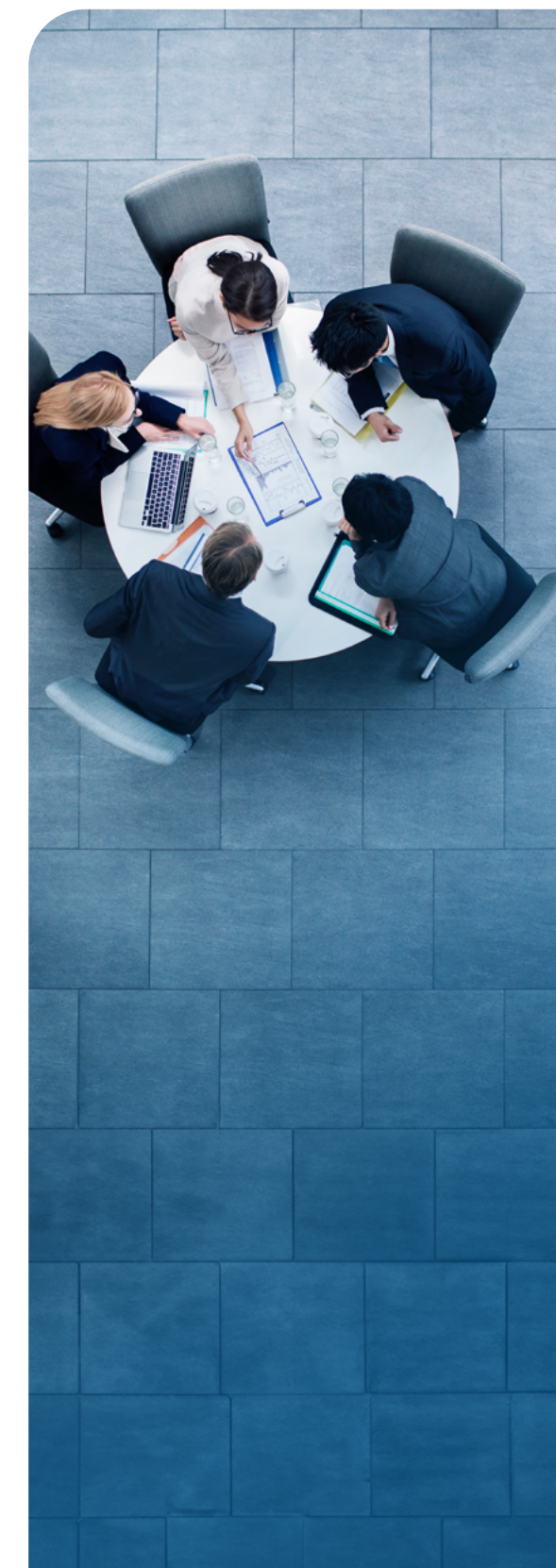
At the meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, the resolution set out in Appendix “[C]” hereto (the “New RSU Plan Resolution”). To be effective, the New RSU Plan Resolution must be passed by a simple majority of the votes cast thereon by the shareholders present in person or by proxy at the meeting.

The board recommends to the shareholders that they approve the New RSU Plan Resolution.

The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the A&R RSU 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 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 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.

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, ICD.D
Corporate Director



Age: 77

Location: Ontario, Canada

Director since: 2012

Independent

George is a corporate director and runs his own executive consulting company, WebX Consulting Group Ltd.

Prior to becoming a full-time corporate director, George was President and Chief Executive Officer of The Royal Ottawa Health Care Group (the Royal). Prior to his role at the Royal, George was the CEO of the Canadian Dental Association and the Secretary General and CEO of the International Red Cross and Red Crescent (International Federation) based in Geneva, Switzerland and the Secretary General and CEO of the Canadian Red Cross Society.

George brings over 35 years of experience as a CEO and Corporate Director. As over one-quarter of his career was overseas, he brings a geo-political perspective, strong negotiations skills, the ability to manage and transform large and complex organizations and deal with a global workforce of over 90 different nationalities.

George is, or has been, a member and/or chaired on numerous boards at the local, national and international levels for private and not-for-profit organizations, including Northoff Mental Health Diagnostics, Kamino Dental Group, International Red Cross and Red Crescent Movement.

George holds a Master of Arts degree from McGill University and completed the Advanced Management Program from the Graduate School of Business Administration from Harvard University. He is also a certified corporate director with the Institute of Corporate Directors (ICD.D) and obtained his audit committee certification from the Directors College.

2023 Meeting Attendance

Board of Directors	14/14	100%
Governance and Risk Committee	5/5	100%
HR & Compensation Committee	5/5	100%
Audit Committee	4/4	100%
Nominating Committee	3/3	100%

Calian Group Shareholdings

(as at September 30, 2023)

Shares	5,020
DSUs	6,544
Total	11,564
Total market value ⁽²⁾	\$590,111
Share ownership as a multiple of annual retainer	3.26
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, 2023.

² Total market value is calculated as the total shares and DSUs held at September 30, 2023 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2023.



Ray Basler, CPA, CA
Corporate Director

Age: 65

Location: Saskatchewan, Canada

Director since: 2005

Independent since: 2020

Ray is a corporate director.

Prior to becoming a full-time corporate director, Ray was CEO of Calian, a position he held for ten years prior to his retirement in 2015. Ray had a 28-year career with Calian, which started when SED Systems, the core of what is now Calian's Advanced Technologies business segment, was acquired by Calian in 1990. He grew through the ranks at Calian and held increasingly senior roles including Chief Financial Officer, Chief Operating Officer and President of both SED and Calian. Prior to Calian, Ray worked at Deloitte as a senior manager in their auditing and assurance group.

Ray brings over 35 years of experience in operations, financial management and accounting.

Ray is a CPA, CA and holds a Bachelor of Commerce (accounting) degree from the University of Saskatchewan.

2023 Meeting Attendance

Board of Directors	14/14	100%
Governance and Risk Committee	5/5	100%
HR & Compensation Committee	5/5	100%
Audit Committee	4/4	100%
Nominating Committee	3/3	100%

Calian Group Shareholdings

(as at September 30, 2023)

Shares	26,179
DSUs	4,773
Total	30,952
Total market value ²	\$1,579,481
Share ownership as a multiple of annual retainer	14.68
Options ¹	2,267

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, 2023.

² Total market value is calculated as the total shares and DSUs held at September 30, 2023 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2023.

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 48.



Kevin Ford
CEO Calian Group Ltd.

Age: 58

Location: Ontario, Canada

Director since: 2015

Non Independent

Kevin joined Calian Group Ltd. in 2010 as the President of the Business and Technology Services Division. He was promoted to the CEO role in 2015. Under his leadership, the Company expanded globally, grew organically and completed over 15 acquisitions increasing its revenues from \$242 million in 2015 to \$659 million in 2023.

Prior to his roles at Calian, Kevin worked for 15 years in the private sector in professional services firms, including DMR and IBM, where he was a Partner in Global Business Services for over ten years. He started his career in the Canadian Department of National Defence where he worked for 14 years in the information technology and computer operations domain.

Kevin brings over 40 years of experience in managing large, complex and dispersed organizations, building strong relationships in numerous industries, exceeding customer expectations and developing strong teams. He also brings a solid track record of execution.

He is, or has been, a board member and chair for several not-for-profit organizations, including Space Canada, the Ottawa Hospital Foundation, Excellence Canada, the Canadian Association of Defence and Security Industries (CADSI) and Kanata North BIA.

Kevin was 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.

2023 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.

Calian Group Shareholdings

(as at September 30, 2023)

Shares	23,189
RSUs	15,043
Total	38,232
Total market value ²	\$1,950,979
Share ownership as a multiple of base salary	3.39
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, 2023.

² Total market value is calculated as the total shares and DSUs held at September 30, 2023 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2023.



Lori O'Neill, FCPA, FCA, CPA, ICD.D
Corporate Director

Age: 57
Location: Ontario, Canada
Director since: 2023
Independent

Lori is a corporate director and independent financial consultant.

Lori served over 24 years at Deloitte, including various national partnership roles, with a focus on advising growth companies from start-ups to multinationals, supporting complex transactions, financings, private and public equity offerings, mergers and acquisitions in Canada and the U.S. Over the past 11 years, Lori has been providing this expertise as a strategic consultant, operator and investor with several growth companies.

Lori is a board member for Constellation Software (CSU.TO) and has served on the boards of several publicly traded and private companies, crown corporations and non-profits. Board and audit committee experience includes Sierra Wireless, Ontario Lottery and Gaming Corporation, University of Ottawa Heart Institute, Circle Cardiovascular Imaging, Hydro Ottawa, Pythian, Defence Construction Canada, DragonWave and PageCloud.

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 U.S., and is also a certified corporate director with the Institute of Corporate Directors (ICD.D).

2023 Meeting Attendance

Board of Directors	10/10	100%
Governance and Risk Committee	2/2	100%
HR & Compensation Committee	2/2	100%
Audit Committee	2/2	100%

Ms. O'Neill was elected on February 15, 2023. The above represents her attendance at FY2023 meetings held post election.

Calian Group Shareholdings

(as at September 30, 2023)

Shares	-
DSUs	461
Total	461
Total market value ²	\$23,525
Share ownership as a % of annual retainer	0.35
Options ¹	-

¹Options 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, 2023.

²Total market value is calculated as the total shares and DSUs held at September 30, 2023 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2023.



Young Park, ICD.D
Corporate Director

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

Young Park is a corporate director and strategic advisor.

Prior to becoming a full-time corporate director, Young was Executive VP and Chief Information Officer at Davis & Henderson (D&H). Prior to her role at D&H, Young was Sector Vice-President at CGI where she grew through the ranks holding a variety of senior leadership roles during her 25-year career at the firm.

Young brings more than 35 years of experience in business and technology transformations, corporate governance and risk management in the verticals of FinTech, Insurance and Telecommunications.

She is, or has been, a member of several corporate boards as well as not-for-profit boards, including 407ETR, President's Choice Financial, Fundserv Inc., Hamilton-Halton Korean-Canadian Association and Joseph Brant Hospital.

Young holds a bachelor's degree in mathematics (co-op computer science) from the University of Waterloo and has completed executive development programs at Queen's School of Business. She is also a certified corporate director with the Institute of Corporate Directors (ICD.D).

2023 Meeting Attendance

Board of Directors	13/14	93%
Governance and Risk Committee	5/5	100%
HR & Compensation Committee	5/5	100%
Audit Committee	4/4	100%

Calian Group Shareholdings

(as at September 30, 2023)

Shares	1,998
DSUs	3,128
Total	5,126
Total market value ²	\$ 261,580
Share ownership as a multiple of annual retainer	2.43
Options ¹	3,529

¹Options 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, 2023.

²Total market value is calculated as the total shares and DSUs held at September 30, 2023 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2023.



Jo-Anne Poirier, ICD.D
President and CEO, VON Canada

Age: 64
Location: Ontario, Canada
Director since: 2016
Independent

Jo-Anne is President and CEO of VON Canada (Victorian Order of Nurses).

Prior to her role at VON Canada, Jo-Anne was Chief Executive Officer of Ottawa Community Housing Corporation (OCH), CEO, GCWCC and Vice-President Resource Development at United Way East Ontario and First Vice-President at MBNA Canada. Prior to these roles, Jo-Anne worked at the City of Gloucester, Ontario as a senior executive.

Jo-Anne brings over 35 years of executive leadership experience in large private, public and not-for-profit organizations.

She is, or has been, a member and/or chaired several organizations, including the Children's Hospital for Eastern Ontario (CHEO), the Réseau des services de santé en français de l'Est de l'Ontario, the Ottawa Convention Centre (chair), the Change Foundation (chair), Ottawa Public Health and TVO.

Jo-Anne holds a Bachelor of Arts (B.A.), Business Administration and Management from the University of Ottawa, a Business Administration Certificate from the University of Ottawa and a Graduate Diploma from Carleton University. She is also a certified corporate director with the Institute of Corporate Directors (ICD.D).

2023 Meeting Attendance

Board of Directors	13/14	93%
Governance and Risk Committee	5/5	100%
HR & Compensation Committee	5/5	100%
Audit Committee	4/4	100%
Nominating Committee	3/3	100%

Calian Group Shareholdings

(as at September 30, 2023)

Shares	5,419
DSUs	4,388
Total	9,807
Total market value ²	\$ 500,451
Share ownership as a multiple of annual retainer	4.65
Options ¹	1,425

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, 2023.

² Total market value is calculated as the total shares and DSUs held at September 30, 2023 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2023.



Ronald Richardson, ICD.D
Corporate Director

Age: 40
Location: Ontario, Canada
Director since: 2021
Independent

Ronald is a corporate director and private investor, holding professional, governance and investment positions in the technology, energy, space, and not-for-profit sectors.

In the early part of his career, Ronald held positions with various software, engineering, and technology companies, including Barclays Capital, Intel, Husky Injection Molding Systems and SlipStream Data. He later co-founded Benbria Corporation, is founding investor of Tough Commerce, is a member of the Capital Angel Network and advisor to L-Spark, SheBoot and Next36 program cohorts.

Ronald brings over 15 years of experience in software platform development, product management, sales leadership, and corporate strategy to the role. Ronald also has a strong background in governance.

Ronald is, or has been, a board member for several organizations, including James Richardson & Sons, Ltd.; Tundra Oil & Gas Ltd.; Mission Control Space Services, Inc.; Tough Commerce, Inc.; Benbria Corporation; and Queensway Carleton Hospital Foundation. He is also a trustee or observer for six other private or not-for-profit organizations.

Ronald is a licensed professional engineer (P.Eng.) and an honours co-op graduate from the University of Waterloo (BSE, Bachelor of Software Engineering). He is also a certified corporate director with the Institute of Corporate Directors (ICD.D).

2023 Meeting Attendance

Board of Directors	12/14	86%
Governance and Risk Committee	5/5	100%
HR & Compensation Committee	5/5	100%
Audit Committee	4/4	100%

Calian Group Shareholdings

(as at September 30, 2023)

Shares	6,280
DSUs	1,454
Total	7,734
Total market value ²	\$ 394,666
Share ownership as a multiple of annual retainer	3.67
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, 2023.

² Total market value is calculated as the total shares and DSUs held at September 30, 2023 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2023.



Valerie Sorbie
Partner and Managing Director,
Gibraltar & Company

Age: 60
Location: Ontario, Canada
Director since: 2022
Independent

Valerie (Val) is currently Partner and Managing Director at Gibraltar Ventures and Board Director Neighbourly Pharmacy (TSE:NBLV).

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 brings over 30 years of experience in strategy, technology and operations.

She also has been a member of several boards, including LXRandCo (Chair), Harvard Kennedy School Woman's Leadership Board, Tilley, Steam Whistle Brewery, Bishop Strachan School (Chair), TKEES, Kahuso (Chair), and Black Business and Professionals Association.

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.

2023 Meeting Attendance

Board of Directors	14/14	100%
Governance and Risk Committee	5/5	100%
HR & Compensation Committee	5/5	100%
Audit Committee	4/4	100%

Calian Group Shareholdings

(as at September 30, 2023)

Shares	222
DSUs	962
Total	1,184
Total market value ²	\$ 60,420
Share ownership as a multiple of annual retainer	0.57
Options ¹	-

¹Options 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, 2023.

²Total market value is calculated as the total shares and DSUs held at September 30, 2023 multiplied by the Calian Group Ltd. fair market value at close on September 30, 2023.

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:

- Young Park, who was a consultant from 2016 to 2020; and
- Ronald Richardson, who was Vice President Product Strategy for Benbria Corporation from May 2018 to May 2020.

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.

Valerie Sorbie was a director of LXRandCo. from June 13, 2019 to October 5, 2023. Following Ms. Sorbie's resignation on October 5, 2023, the Superior Court of Quebec appointed a receiver over the business and assets of LXRandCo., following an application of Canadian Imperial Bank of Commerce as LXRandCo.'s lender, pursuant to the Bankruptcy and Insolvency Act (Canada). On October 6, 2023, the shares of LXRandCo. were halted from trading on the TSX by the Canadian Investment Regulatory Organization. The shares of LXRandCo. were delisted from the TSX on November 15, 2023.

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 30. 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:

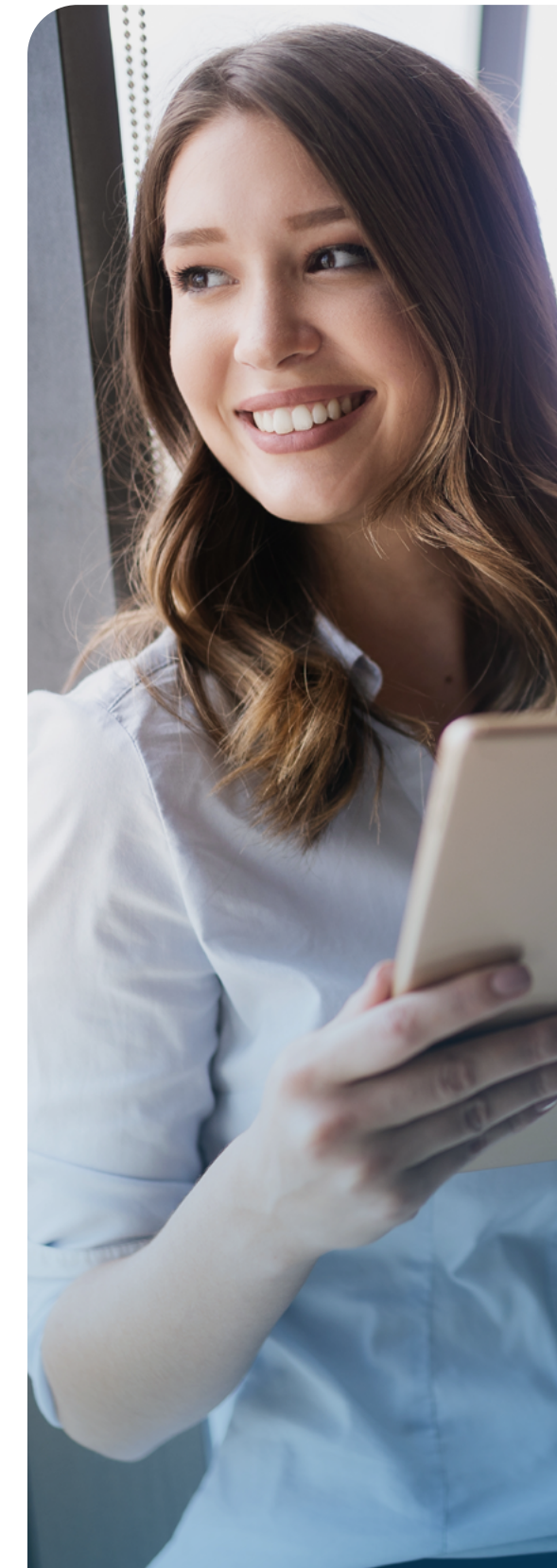
- a. Creating and protecting value
- b. Thinking long-term
- c. Being honest, transparent and prudent in all business activities

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 and Lori O'Neill are the only board members who are also directors of other reporting issuers (Neighbourly Pharmacy [NBLY], and Constellation Software [CSU], respectively).

At each of its quarterly meetings, the board conducts two in-camera sessions with independent directors. During fiscal 2023, 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)

Lori O'Neill

Young Park, ICD.D

Jo-Anne Poirier, ICD.D

Ronald Richardson, P.Eng., ICD.D

Valerie Sorbie

George Weber, ICD.D

The Audit Committee met four times in FY2023.

All seven 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)

Ray Basler, CPA, CA

Lori O'Neill

Young Park, ICD.D

Ronald Richardson, P.Eng., ICD.D

Valerie Sorbie

George Weber, ICD.D

The Human Resources and Compensation Committee met five times in FY2023.

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)

Ray Basler, CPA, CA

Lori O'Neill

Jo-Anne Poirier, ICD.D

Ronald Richardson, P.Eng., ICD.D

Valerie Sorbie

George Weber, ICD.D

The Governance and Risk Committee met five times in FY2023.

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 three times in FY2023.

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, 2023, the board met 14 times, the Audit Committee met 4 times, the Human Resources & Compensation Committee met 5 times, the Governance and Risk Committee met 5 times, and the Nominating committee met 3 times. Compensation and governance issues are also discussed during the quarterly board meetings with all the board members present. Board and committee meetings are held in person quarterly and otherwise via web conference.

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 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, and observing product demonstrations.

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 and oversight of ESG initiatives including climate-related disclosures and reporting, 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"), which aims to encourage to and promote a culture of ethical business conduct. In particular:

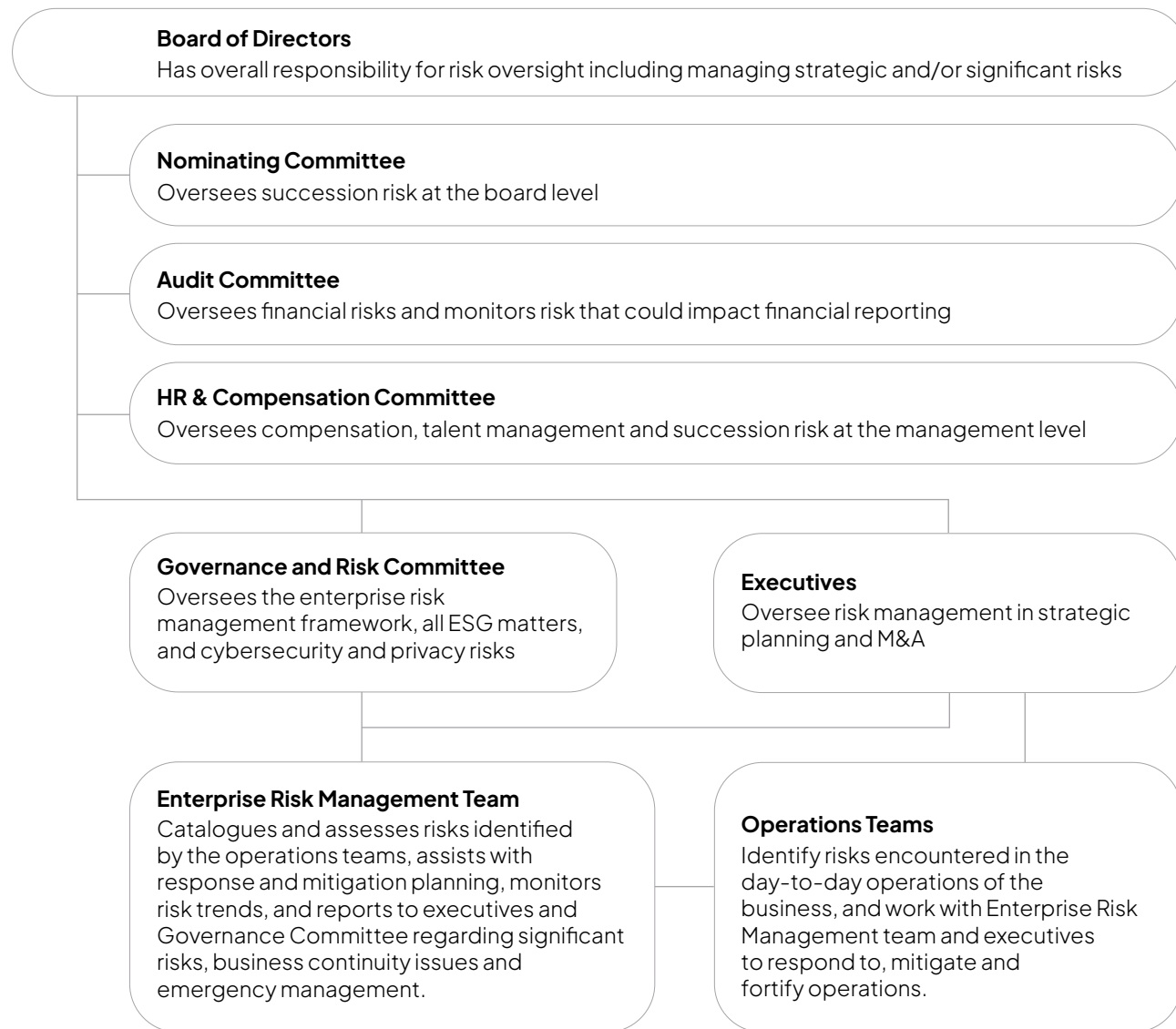
- (i) The Guide is available on the Corporation's website and explains the mechanisms in place to report departures from the Guide.
- (ii) The Guide provides for a reporting mechanism to the board. In addition, all Calian employees who do not work directly at a customer's premises must certify annually 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.



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.sedarplus.ca.

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.



ESG Journey and Key Milestones

(Fiscal Year Oct 1st 2022 – Sept 30th 2023)

Calian ESG Journey

In 2021, Calian embarked on an initiative to formalize the company's environmental, social and governance (ESG) strategy. While Calian has always had a strong commitment to social responsibility, the company recognized the need to look beyond corporate giving and community engagement to develop a more fulsome strategy related to its socioeconomic and environmental commitments as well as to prepare for future regulation and disclosure requirements. In 2022, Calian's inaugural ESG report described the company's journey, as it works towards

embedding ESG best practices in the business. In 2023, the company continued to formalize our ESG strategy and deliver on the focus areas identified in the 2022 inaugural report. Three key work activities are highlighted: (1) the results of the company's first formal materiality assessment, (2) preliminary Task Force on Climate-Related Financial Disclosures (TCFD) road map and (3) the Climate-Related Risk and Opportunity report.

The company has developed the ESG report and TCFD reports to reflect the International Financial Reporting Standards/International Sustainability Standards Board (IFRS/ISSB) standards announced on June 26, 2023.



ESG Strategic Framework

The Calian ESG strategic framework sets key priorities to achieve the company's vision, targets and drive value for the stakeholders. The company mission is our guiding light: To help the world communicate, innovate, learn and lead safe and healthy lives. The ESG Vision **Calian CARES™: Collaboration to Advance Resilience Excellence and Sustainability** is the overarching goal of the company's ESG efforts.

1

Starting point Calian mission

Where can Calian have an impact in the world?

We help the world communicate, innovate, learn and lead safe and healthy lives—today and tomorrow.

2

Setting priorities

What is important to the company's stakeholders?

Environmental: Responsible consumption

Social: Innovative, impactful collaboration to support a more resilient world for all our stakeholders by leveraging Calian solutions and expertise

Governance: Ethical, transparent tracking, reporting and eventual disclosure based on industry best practices

3

Sharing the Calian ESG story

What does the world need to know?

ESG is more than a phrase—it is embedding sustainability in everything Calian does.

- Board-approved ESG strategic framework
- ESG vision: Calian CARES
- Alignment to UN Sustainable Development Goals (SDGs)
- IFRS/ISSB standards to guide future disclosure
- Emissions inventory initiated
- Social themes: DEI, Indigenous, innovation (advancing STEM), community resilience
- Internal communications launched
- ESG launched on calian.com
- Year end 2022: inaugural ESG Report

We are here.

4

Defining key metrics

How will the company measure our success?

- Conducted formal materiality assessment
- Completed TCFD gap analysis
- Registered for Canada Net-Zero Challenge and met Milestone 1 requirements
- Launched six Employee Resource Groups with over 10% of employee population participating
- Launched new Leadership Development Program (LDP) with 29 leaders participating
- Launched retirement savings program with a 3% match to employee contributions
- 2023 ESG Report and inaugural TCFD Report
- Set baselines
- Define key metrics
- Establish long-term goals
- Develop plans to achieve goals
- Embed ESG in business and strategic planning processes

5






Track progress

Where is the company having an impact?

- Improved emissions
- Innovative solutions
- Support to advance key social themes and target communities
- Ongoing reporting to meet constituent needs

ESG Strategic Framework

The ESG Strategic Framework sets the priorities to achieve our vision:

	Priorities	UN Sustainable Development Goals (SDGs)
Environmental	Climate Change	 
	Environmental Protection	
Social	Our People	     
	Diversity, Equity, Inclusion and Belonging (DEIB)	
	Indigenous Engagement	
	Community Resilience	
	Innovation (Advancing STEM)	
Governance	Structure	
	Reporting	
	Enterprise Risk Management	
	Client Requirements	
	Policies, Certifications and Processes	

Listening to the Stakeholders: 2023 Materiality Assessment

In 2023, Calian conducted a formal materiality assessment of ESG topics to quantitatively measure stakeholder priorities. Research was conducted among 831 survey respondents (497 internal, 334 external) to establish a broad list of 25 ESG topics most material to Calian activities. Engagement was conducted through quantitative surveys and documentation review to understand what topics are most material to Calian stakeholders. For the most material items we are identifying actions in four areas: policies, documented commitments, key performance indicators and assigned responsibility.



Environmental

As a provider of emergency planning, environmental safety, and food safety solutions, Calian understands the significant impacts of climate change on businesses and communities.

Climate Change: Managing our carbon footprint

In early 2022, the Company engaged an independent third party to support the development of a greenhouse gas (“GHG”) emissions inventory. The GHG emission source data for the 2022 baseline year was gathered for the reporting period October 1, 2021, to September 30, 2022. In 2023, Calian completed its full-year emissions inventory for 2022 and 2023, conducted a Taskforce on Climate-Related Financial Disclosures (TCFD) gap analysis and developed our TCFD roadmap as input to our inaugural 2023 TCFD report and to meet the requirements of the Net-Zero Challenge which we enrolled in in February of 2023.

Environmental Protection

Calian recognizes the need to consider the company’s consumption by using resources wisely, protecting natural resources and minimizing our impact on the environment. Calian closed four facilities in 2023, reducing its emissions by approximately 1.73 t CO2e per month. In terms of food protection, in 2023, Calian Agriculture reviewed international applications for the Bin-Sense® product with the goal of expanding beyond grain monitoring to other natural resources, such as water and crops like almonds and soybeans. Over 364 million bushels of grains such as wheat, barley and lentils in 36,000 bins are being monitored using Bin-Sense®.

Calian has also entered into several supply arrangements with clients that have specific product emission reduction targets and/or carbon offset investments. Calian services and solutions related to emergency planning and environmental management help address food safety and water availability in the case of natural disasters. For example, in 2023, Calian delivered after-action reviews following Hurricane Fiona, which displaced approximately 13,000 people.

Social

Calian recognizes its obligations to its people, its stakeholders, and the communities in which it works. The company believes collaboration is key to positive social impact. Calian is committed to providing its people with a superior employee experience by ensuring a healthy, safe, and engaging environment. By leveraging the company’s core competencies, the company believes it can create a more resilient, sustainable world. In 2023, Calian contributed over \$720,000 in community giving providing support to over 27 organizations. Calian is currently reviewing its corporate giving program to align to the company’s corporate strategy.

Social Priorities

Our People

Our People: It is important to cultivate a superior employee experience, characterized by inclusivity and a sense of belonging. Arming Calian employees with the tools they need to flourish enhances resiliency and the company’s collective ability to meet the demands of its clients and communities. 2023 highlights included the launch of a revitalized health, safety and wellness program, a new Leadership Development Program (LDP), launch of a retirement savings program with Calian 3% match to employee contributions and \$12,000 in scholarships for children of employees.

Diversity, Equity, Inclusion and Belonging

Calian recognizes that DEIB is an ethical imperative and its critical role in retaining and attracting talent, fostering innovation and extending employment opportunities to under-represented populations. Calian is an equal-opportunity employer throughout the employee lifecycle and focus on gender equality and DEIB themes in succession planning and recruitment initiatives. 2023 highlights included the launch of six employee resource groups (ERGs) with over 10% of eligible employees as members, inclusion of DEIB as priority element in the company’s three-year strategic plan and gender-balanced cohort through 50% female representation at LDP.

Indigenous Engagement

Calian places great importance on establishing relationships grounded in principles of rights, respect, cooperation and partnership in alignment with Canada’s Truth and Reconciliation Commission (TRC) calls to action. Having engagements with over 35 Indigenous communities and businesses through service delivery and supplier arrangements, Calian is committed to meaningful, mutually beneficial engagements. In 2023, Calian was proud to receive the Indigenous Works Employer of Choice certification with a positive score of 89% (or 161/180).

Innovation (Advancing STEM)

Calian engineers innovative, creative solutions to address complex challenges that affect us all. To protect the planet, people and the business, it is important to continually innovate new solutions and products. In 2023, Calian provided funding and expertise to several university research projects including a multi-year cyber research collaboration with Dalhousie University exploring the risks related to data exhaust.

Community Resilience

Calian recognizes climate change is continually increasing the severity and frequency of threats to communities, impacting public safety and, ultimately, community resilience. Calian focuses on eliminating barriers to resilience by overcoming obstacles such as scarcity of skilled resources, access to technology, reliability of communication infrastructure and the availability of healthcare. 2023 highlights include Health and Learning commitment to support the Canadian Pandemic Hub in collaboration with University of Ottawa and McMaster University, support to over 4,268 military family members to date through the Military Family Doctor Network (MFDN), and expanded delivery of simulation exercises for the Canadian Armed Forces (CAF) and NATO.

Diversity and Inclusion

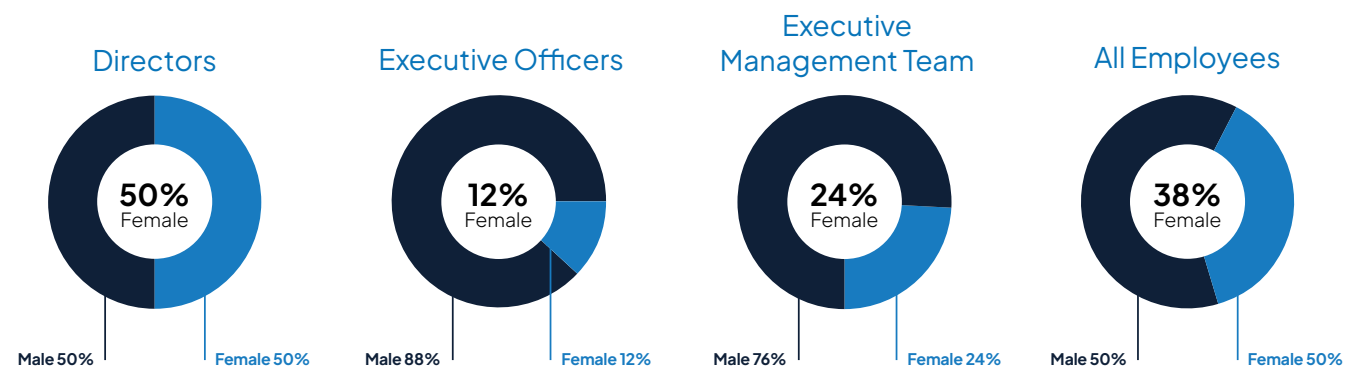
On August 5, 2015, the board adopted a Board Diversity and Term Limits Policy, relating in part to the promotion of diversity and ensuring that its recruitment process will consider all individuals from diverse backgrounds, regardless of gender, age, ethnicity, Indigenous heritage, geography, sexual 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.

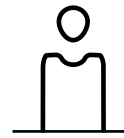
Similarly, in identifying and considering potential candidates for executive appointments, Calian seeks the most qualified persons, regardless of gender or other characteristics unrelated to expertise and performance. Therefore, Calian looks first to individuals within Calian and its subsidiaries and 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.

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.

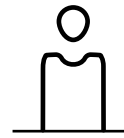
Representation of Women at Calian



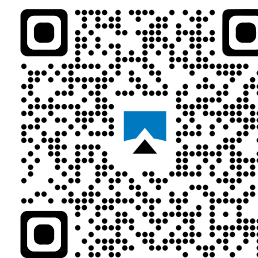
To the Company's knowledge, Calian currently has no directors and one executive officer who are of Indigenous heritage.



To the Company's knowledge, Calian currently has no directors or executive officers who are persons with disabilities.



To the Company's knowledge, Calian currently has one director who is a visible minority, representing 13% of the board, and no executive officers who are visible minorities.



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).



Governance

With integrity as one of Calian's core values, the company is committed to ethical business practices and transparent reporting. Calian has a well-defined corporate governance strategy, overseen by the board of directors. Our board values the trust our stakeholders place in us, which extends to the governance required to integrate ESG throughout our business. All board committees and members have a role to play in ESG oversight as defined in our ESG Governance framework.

ESG Governance Framework

Level of Priority	ESG Factor	Governance and Risk Committee	HR and Compensation Committee	Audit Committee	Nomination Committee
Core ESG Factor	ESG Governance	✓	Compensation tied to ESG		Members with ESG expertise
	Environmental Impact	✓			
	Data Security	✓		✓	
Enhanced ESG Factor	Employee Health & Safety		✓		
	Climate Change/GHG Emissions	✓		Future ESG regulation	
	DEI (including Indigenous)		✓		
	STEM Workforce		✓		
Emerging ESG Factors	Business Ethics	✓			
	Human Capital Management		✓		
	Supply Chain Management			✓	
	Client Social/ Environmental Reqs	✓			
	Community Relations	✓			

Note: Other committees may be consulted as required

Governance

(continued)

Reporting standards: Calian recognizes the need to prepare for future disclosure regulations. Preparing for formal sustainability disclosure requires planning: an understanding of the standards and data required, access to the data, and infrastructure to support consolidated reporting. In 2023 Calian published its first Task Force on Climate-related Financial Disclosures (TCFD) report which reflects the International Financial Reporting Standards/International Sustainability Standards Board (IFRS/ISSB) standards announced on June 26, 2023. The TCFD provides a framework for companies to assess and disclose climate-related financial information including risks and opportunities.

Client requirements: Calian clients, particularly government, are weighting and rating ESG factors when awarding work, including specifics on our policies, procedures and certifications. To address these requirements, the company continues to assess our policies, certifications and processes to ensure it continues to meet client needs and support the company's growth strategy.

Enterprise risk management: In the annual planning process, each operating segment and corporate team completes an objective-centric risk analysis, in accordance with the ISO 31000:2018 Standard on Risk Management framework. Risk trends and the effectiveness of mitigation controls are reviewed regularly by management and the governance and risk committee of the board. To support an enterprise risk management registry, the company completed a review of the World Economic Forum Global Risk report and assessed impact of the climate related risks and opportunities which were included in the 2023 TCFD Report.

Data security: Calian utilizes industry leading security technologies and partners to keep employee and customer information safe and secure. The company has instituted several processes to support strong data security including:

- Ensuring all employees are trained in cyber awareness including refreshers and regular testing
- Implementation of security information event management and endpoint detection and response technologies monitored by our security operations centre along with both scheduled and adhoc security scans using advanced security tools
- Utilizing externally recognized auditors to perform our intrusion testing as part of our policy on security prevention program to ensure our edge is secure.
- Utilizing service provider level data centre facilities and public cloud providers to host our services ensuring digital and physical security.
- Utilizing private networking with multi-factor authentication for our employees and firewall access controls for our office and data centre locations to ensure all data is encrypted and secure

Data privacy: Calian recognizes the importance of protecting the personal information of employees and customers we collect, use, and maintain in accordance with applicable privacy laws and regulations, including the Personal Information Protection and Electronic Documents Act (PIPEDA) and General Data Protection Regulation (GDPR). Calian's commitment to information privacy is an integral part of the company values and is aligned with the broader ESG objectives. The company has established a corporate privacy management program, which addresses data governance, risk management, and internal control for personal information with appropriate technical and organizational measures, such as privacy policies, privacy impact assessments (PIAs), training and awareness, and privacy breach response protocol.



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.

Director Commitments

In order to ensure Calian's directors are not overextended with outside obligations and are capable of properly performing their duties, Calian has adopted a Director Commitments Policy which imposes the following limitations on the number of boards on which Calian's directors may serve:

- a) Independent directors may serve on no more than three (3) public boards in addition to Calian's board.
- b) Dependent directors may serve on no more than one (1) public board in addition to Calian's board.
- c) Holding the position of chair on any public board shall be deemed as serving on two (2) public boards.
- d) Service on a new private board by any director shall be subject to prior approval of the chair of Calian's board. If the director seeking to serve on a private board is the chair of Calian's board, then such service shall be subject to prior approval of Calian's board.

All Calian directors are currently within the Director Commitments limits.



Executive Compensation



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 2024, 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. The Company maintains share ownership guidelines for directors and executives (see page 53).</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
2023	Nil

The compensation committee will be engaging a 3rd party to perform a market analysis in FY24.

2021 Comparator Group¹

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	

¹The comparator group will be re-assessed and updated as part of the Company's 2024 salary benchmarking market study.

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 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

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.

NEO	Units	Value	Target	% of target	Multiple of base pay
	number of shares ¹	\$ ²	number of shares	%	
Kevin Ford	38,232	1,950,979	35,000	109%	3.4
Patrick Houston	9,444	481,927	6,500	145%	1.5
Patrick Thera	10,644	543,163	5,000	213%	1.7
Sue Ivay	4,403	224,685	5,000	88%	0.9
Michael Muldner	1,110	56,643	5,000	22%	0.3

¹Units include all whole shares and RSUs and excludes options and PSUs.

²Price calculated for value and target is \$51.03, or the close price at Sept 30, 2023.

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

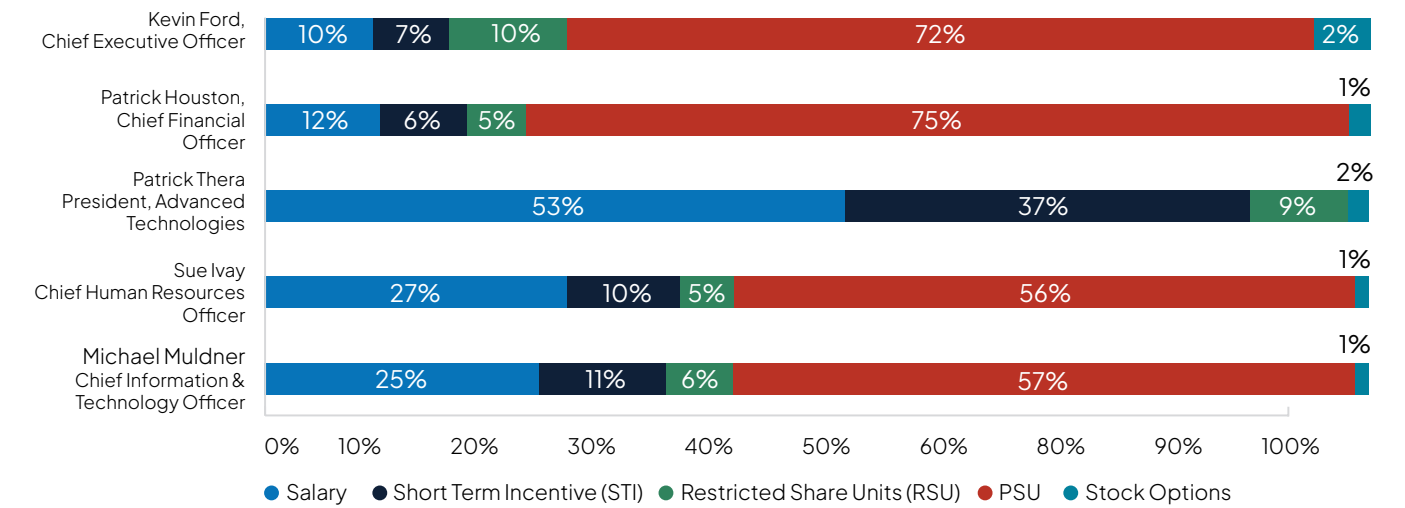
Our compensation program includes fixed and variable pay, and the majority of executive pay is variable (at-risk) to align the interests of our executives and shareholders.

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 adjusted EBITDA ¹ target as well as individual performance in the fiscal year.
	Long-term incentive	Full shares that vest over the time (RSU's) – Achieve share ownership and long-term retention through multi-year vesting. RSU grants are coupled with share ownership guidelines to ensure long term ownership.
		Performance based units (PSU's) – Provide an at-risk component that vests upon achievement of targets. PSU's provide incentive to perform significantly above plan and to increase share price.
		Stock options – Provides management with an equity incentive, only if the price of the underlying shares increases during the vesting period.
3 - Other compensation	Benefits	<p>Group insurance Benefits cover health, disability, life and accident insurance.</p> <p>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.</p> <p>RRSP Matching Some of our executive officers and employees receive a contribution of 3% of the employee's base salary.</p> <p>Vehicle Some of our executive officers and employees receive compensation towards the cost of their personal vehicle used for Company business.</p>

¹ This is a non-GAAP measure mainly derived from the consolidated financial statements, but does not have a standardized meaning prescribed by IFRS. Please refer to the Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures section of the Management's Discussion and Analysis.

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.



2023 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.

	2023	2022	Change %
Kevin Ford	575,000	500,000	15%
Patrick Houston	330,000	300,000	10%
Patrick Thera	319,300	310,000	3%
Sue Ivay	245,000	212,000	16%
Michael Muldner	220,000	220,000	0%

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 HR & Compensation Committee and the Board of Directors.

Our plan uses adjusted EBITDA³ achievement against plan as the primary indicator. This aligns with the company's profitable growth agenda. For the 2023 fiscal year, on target performance was \$70 million of consolidated adjusted EBITDA³. This represents a growth of 7% over the 2022 fiscal year.

For executives who operate across our four segments, their primary target is the achievement of corporate adjusted EBITDA³. For executives who lead one of our operating segments, their primary target is adjusted EBITDA³ performance of their segment, with secondary targets for corporate adjusted EBITDA³.

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.

		Target Short Term Incentive	Award as % of base compensation	Weighting			
				Corporate	Individual segment	Achievement of key objectives	Total weight
Kevin Ford	Target 2023 Payment	402,500	81%	90%	0%	10% ¹	100%
Patrick Houston	Target 2023 Payment	165,000	55%	100%	0%	0%	100%
Patrick Thera	Target 2023 Payment	226,000	73%	10%	90%	0%	100%
Sue Ivay	Target 2023 Payment	100,000	33%	100%	0%	0%	100%
Michael Muldner	Target 2023 Payment	102,083	34%	100%	0%	0%	100%

¹ Achievement of key objectives include: 1. Moving forward the governance agenda by achieving Governance, Risk and Compliance and ESG objectives as established by the board; 2. Focus on Talent by measuring employment engagement, diversity and leadership development.

2023 Performance

The table below shows the performance of the company against the adjusted EBITDA³ targets established by the Compensation Committee

	Adjusted EBITDA ³ target	Growth over previous year	2023 adjusted EBITDA ³ performance	% Achievement
Corporate	70,001	7%	65,987	94%
Advanced Technologies	24,996	28%	28,276	107%
Health	30,060	6%	33,383	111%
Learning	19,644	14%	16,560	86%
ITCS	30,751	4%	23,459	76%

¹ Moving forward the governance agenda by achieving Governance, Risk and Compliance and ESG objectives as established by the board;

² Focus on Talent by measuring employment engagement, diversity and leadership development.

³ This is a non-GAAP measure mainly derived from the consolidated financial statements, but does not have a standardized meaning prescribed by IFRS. Please refer to the Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures section of the Management's Discussion and Analysis.

2023 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.

	2023 Long-term incentive	PSU		RSU		Stock options	
		Dollars	Units	Dollars	Units	Dollars	Units
		\$		\$		\$	
Kevin Ford	4,632,500	4,000,000	67,590	537,625	9,085	94,875	6,652
Patrick Houston	2,165,000	2,000,000	33,795	140,250	2,370	24,750	1,735
Patrick Thera	61,800	-	-	52,530	888	9,270	650
Sue Ivay	555,000	500,000	8,449	46,750	790	8,250	578
Michael Muldner	560,000	500,000	8,449	51,000	862	9,000	631

New in 2022 was the introduction of PSUs in the compensation structure. 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 new A&R RSU plan put forward for approval in February 2024	Share unit plan last approved by shareholders in 2020 and new A&R RSU plan put forward for approval in February 2024	Stock option plan approved by shareholders in 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.

2023 PSU Awards

Starting in 2022, the company has implemented Performance Share Units as a tool to incent performance through the issuance of share units that vest on the achievement of certain targets as set by the compensation committee and the board.

For 2023, the board has elected to grant PSU's with performance objectives set over the next three fiscal years. The units will vest upon achievement of the criteria or expire at the end of FY25.



Our growth strategy and annual plans looks to deliver high single digit organic growth and single digit acquisitive adjusted EBITDA⁴ growth through our M&A agenda. The combination of these aims to deliver double digit growth.

In order to incent performance above and beyond this plan, the PSU grants for FY23 to FY25 has targets for organic revenue and adjusted EBITDA⁴ growth, as well as acquisitive adjusted EBITDA⁴ growth for each segment and on a consolidated basis. Vesting occurs at two levels representing accelerated growth, and hyper growth.

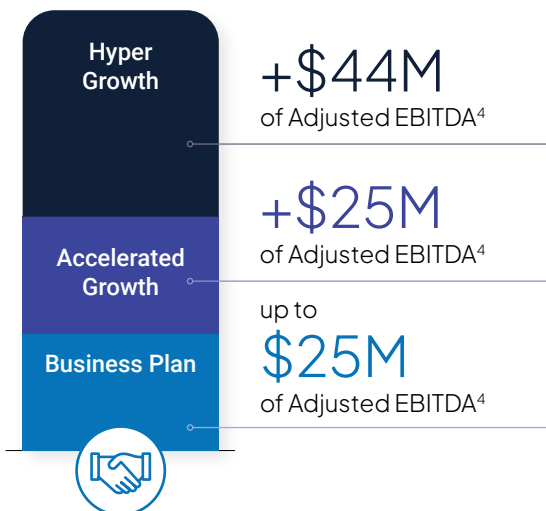
Vesting of PSU's:

- Business Plan Growth: Corresponds to the base compensation and no PSU are awarded
- Accelerated Growth: Results in 3 year organic and acquisitive growth above the business plan and results in approx. 50% of the PSU's to vest
- Hyper Growth: Organic and Acquisitive growth significantly above plan and historical levels and results in 100% vesting of the PSU's

Organic



Acquisitive



As at Sept 30, 2023, none of the performance targets have been achieved and no shares have been granted under the PSU plan.

Cost of Management

The table below shows a steady increase of our total adjusted EBITDA⁴ and revenue of the last four years. Between 2020 and 2023, revenue increased by 52% and adjusted EBITDA⁴ 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 adjusted EBITDA⁴ excluding PSU grants has decreased significantly since 2020. Total direct compensation as a % of adjusted EBITDA⁴ has increased driven by the PSU awards discussed above.

	2020 ¹	2021 ²	2022 ³	2023
	\$	\$	\$	\$
Adjusted EBITDA ⁴	36,810	51,929	65,932	65,987
Total revenue	432,320	518,404	582,172	658,583
Total direct compensation awarded to named executives	3,371	2,954	3,986	10,661
As a % of Adjusted EBITDA ⁴ excluding PSU grants	9.2%	5.7%	5.9%	5.5%
As a % of Adjusted EBITDA ⁴	9.2%	5.7%	6.0%	16.2%
As a % of total revenue	0.8%	0.6%	0.7%	1.6%

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).

³ 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 Sacha Gera (former President, ITCS).

⁴ This is a non-GAAP measure mainly derived from the consolidated financial statements, but does not have a standardized meaning prescribed by IFRS. Please refer to the Reconciliation of Non-GAAP Measures to Most Comparable IFRS Measures section of the Management's Discussion and Analysis.

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	RSU based awards	PSU based awards	Option-based awards ⁴	Annual incentive plan (Non-equity) compensation ¹	All other compensations	Total compensation
		\$	\$	\$	\$	\$	\$	\$
Kevin Ford CEO	2023	575,000	537,650 ²	4,000,000 ³	94,875	379,493	8,400	5,595,418
	2022	500,000	385,000	82,500	157,520	525,000	8,400	1,658,420
	2021	480,000	285,000	-	-	368,497	8,400	1,141,897
Patrick Houston CFO and Corporate Secretary	2023	330,000	140,257 ²	2,000,000 ³	24,750	154,521	7,800	2,657,328
	2022	300,000	105,000	22,500	49,506	225,000	7,800	709,806
	2021	275,000	110,000	-	-	144,875	7,800	537,675
Patrick Thera President, Advanced Technologies	2023	319,300	52,552 ²	-	9,270	226,600	15,965	623,687
	2022	310,000	42,000	9,000	9,001	193,456	15,500	578,957
	2021	306,000	50,000	-	-	147,740	15,300	519,040
Sue Ivay Chief Human Resources Officer	2023	245,000	46,752 ²	500,000 ³	8,250	93,649	7,800	901,451
	2022	212,000	35,000	7,500	19,499	91,440	-	365,439
	2021	195,000	30,000	-	-	83,997	-	308,997
Michael Muldner ⁷ Chief Information & Technology Officer	2023	220,000	51,013 ²	500,000 ³	9,000	95,317	7,800	883,130
	2022	220,000	60,000	-	-	100,000	7,800	387,800
	2021	-	-	-	-	-	-	-

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 2022 based on fair values of a share price of \$59.18.

³ The compensation costs related to the issuance of share-based awards in the form of performance based share units granted in November 2022 based on fair values of a share price of \$59.18.

⁴ The compensation costs related to the issuance of share-based awards in the form of stock options granted in November 2022 based on fair value of \$14.26.

⁵ 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.

⁶ Pension compensation was nil for all years and all named executive officers presented.

⁷ Michael Muldner joined Calian Group Ltd. in 2022.

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	6,652	\$60.43	November 24, 2027	-	1,600	\$ 81,648	N/A
	14,945	\$58.90	November 24, 2026	-	4,358	\$222,389	
	44,130	\$60.30	August 11, 2025	-	9,085	\$463,608	
Patrick Houston	1,735	\$60.43	November 24, 2027	-	617	\$ 31,486	N/A
	4,697	\$58.90	November 24, 2026	-	1,189	\$60,675	
	18,353	\$60.30	August 11, 2025	-	2,370	\$120,941	
Patrick Thera	650	\$60.43	November 24, 2027	-	280	\$14,288	N/A
	854	\$58.90	November 24, 2026	-	475	\$24,239	
	6,715	\$60.30	August 11, 2025	-	888	\$45,315	
Sue Ivay	578	\$60.43	November 24, 2027	-	168	\$ 8,573	N/A
	1,850	\$58.90	November 24, 2026	-	396	\$20,208	
	8,768	\$60.30	August 11, 2025	-	790	\$40,314	
Michael Muldner	631	\$60.43	November 24, 2027	-	69	\$3,521	N/A
					862	\$43,988	
					8,449	\$431,152	

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, 2023.

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	20,924	\$460,021	\$379,493
Patrick Houston	6,577	\$144,848	\$154,521
Patrick Thera	1,197	\$63,467	\$226,600
Sue Ivay	2,591	\$42,994	\$93,649
Michael Muldner	-	\$1,308	\$95,317

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.

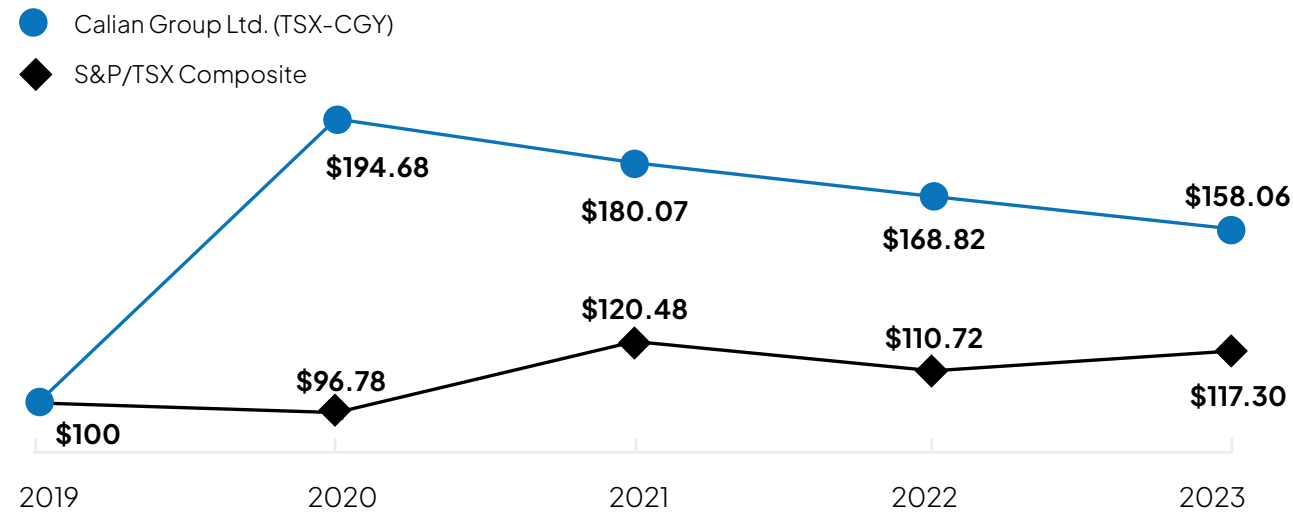
Share Performance and Executive Compensation

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-19	35.12				100.00	16,658.60			100.00
30-Sep-20	67.25	1.12	33	95%	194.68	16,121.40	537	-3%	96.78
30-Sep-21	61.00	1.12	28	80%	180.07	20,070.25	3,412	20%	120.48
30-Sep-22	55.93	1.12	24	69%	168.82	18,444.20	1,786	11%	110.72
30-Sep-23	51.03	1.12	20	58%	158.06	19,541.30	2,883	17%	117.30

¹Total Shareholder Return

\$100 invested in Calian vs TSX, 2019–2023



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, 2023.

Plan category	Total outstanding equity units	Weighted average exercise price of options outstanding	Number of securities available for future issuance
Equity compensation plans approved by security holders	403,829 ¹	\$56.22	659,310

The table below provides further detail on the number of securities authorized for issuance under equity compensation plans as at December 18, 2023:

Total number of common shares available for issuance pursuant to the corporation's security-based compensation arrangements, being 9% of the outstanding Common Shares	1,065,143
Common Shares issuable pursuant to options outstanding under the 2016 Stock Option plan	209,416
Common Shares issuable pursuant to options outstanding under the 2016 RSU plan	168,528
Total number of common shares remaining available for issuance under approved equity plans	687,199

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 366,052 Common Shares were available for issuance under the Purchase Plan at September 30, 2023, 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 B and C 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 (STI) 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 \$672,800 under the Company's long-term incentive plans (RSUs and Options) 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 \$348,000, an on-target cash bonus (STI) of \$180,500 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 \$168,200 under the Company's long-term incentive plans (RSUs and Options), 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	\$528,500

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.

2023 meeting attendance

The table below sets out the FY2023 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%	5 of 5	100%	5 of 5	100%	3 of 3	100%
Ray Basler	14 of 14	100%	4 of 4	100%	5 of 5	100%	5 of 5	100%	3 of 3	100%
Lori O'Neill	10 of 10	100%	2 of 2	100%	2 of 2	100%	2 of 2	100%	N/A	-
Young Park	13 of 14	93%	4 of 4	100%	5 of 5	100%	5 of 5	100%	N/A	-
Jo-Anne Poirier	13 of 14	93%	4 of 4	100%	5 of 5	100%	5 of 5	100%	3 of 3	100%
Ronald Richardson	12 of 14	86%	4 of 4	100%	5 of 5	100%	5 of 5	100%	N/A	-
Valerie Sorbie	14 of 14	100%	3 of 3	100%	5 of 5	100%	5 of 5	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	11,564	590,111	8,500	136%	3.26
Ray Basler	30,952	1,579,481	5,000	619%	14.68
Lori O'Neill	461	23,525	5,000	9%	0.35
Jo-Anne Poirier	9,807	500,451	5,000	196%	4.65
Young Park	5,126	261,580	5,000	103%	2.43
Ronald Richardson	7,734	394,666	5,000	155%	3.67
Valerie Sorbie	1,184	60,420	5,000	24%	0.57

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.

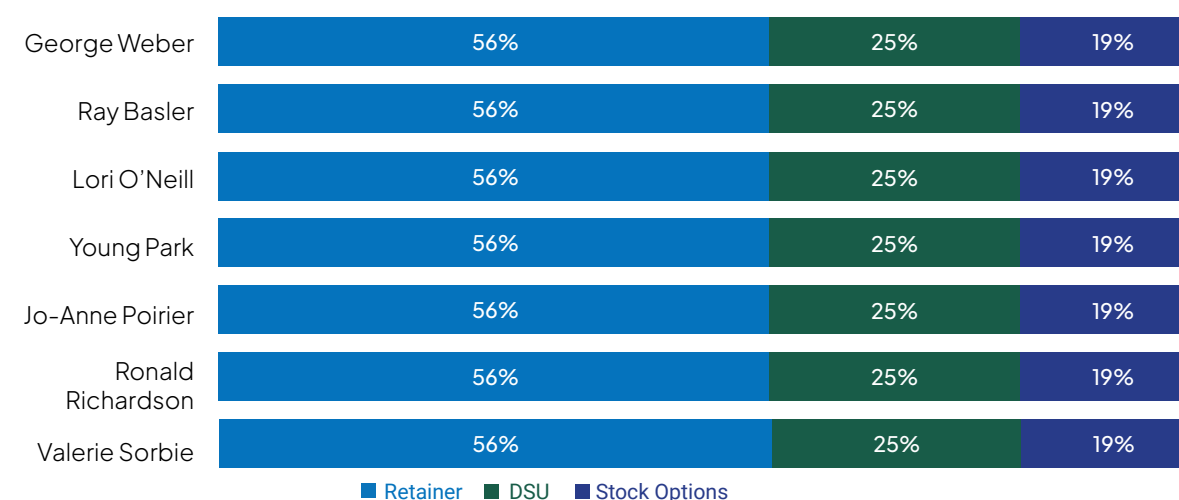
DSU's granted to directors track the value of the underlying common shares of Calian. They are required to be held for the duration of their time as a director and are paid out in cash upon their retirement from the Board of Directors.

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

	2022 Board Retainer			2023 Board Retainer		
	Cash	Equity	Total	Cash	Equity	Total
Chair Retainer	117,250	76,063	193,313	127,613	85,460	213,073
Director retainer	69,900	46,175	116,075	75,945	50,859	126,804

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	127,613	53,172	32,288	Nil	Nil	Nil	213,073
Ray Basler	75,945	31,644	19,215	Nil	Nil	Nil	126,804
Lori O'Neill	47,475	20,419	16,287	Nil	Nil	Nil	84,735
Young Park	75,945	31,644	19,215	Nil	Nil	Nil	126,804
Jo-Anne Poirier	75,945	31,644	19,215	Nil	Nil	Nil	126,804
Ronald Richardson	72,515	35,074	19,215	Nil	Nil	Nil	126,804
Valerie Sorbie	73,889	32,130	19,215	Nil	Nil	Nil	125,234

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	2,264 2,918 7,559	60.43 58.90 61.16	November 24, 2027 November 24, 2026 November 24, 2025	- - -	204	10,389	323,540
Ray Basler	1,347 1,736 4,221 5,000 2,000	60.43 58.90 61.16 36.49 29.55	November 24, 2027 November 24, 2026 November 24, 2025 November 25, 2024 November 19, 2023	- - - 72,700 42,960	121	6,183	237,361
Lori O'Neill	1,186	60.44	February 22, 2028	-	126	6,415	17,108
Young Park	1,347 1,736 4,221 5,000 5,000	60.43 58.90 61.16 36.49 29.55	November 24, 2027 November 24, 2026 November 24, 2025 November 25, 2024 November 19, 2023	- - - 72,700 107,400	121	6,183	154,223
Jo-Anne Poirier	1,347 1,736 4,221 5,000	60.43 58.90 61.16 36.49	November 24, 2027 November 24, 2026 November 24, 2025 November 25, 2024	- - - 72,700	121	6,183	217,684
Ronald Richardson	1,347 1,736 1,817	60.43 58.90 60.35	November 24, 2027 November 24, 2026 February 09, 2026	- - -	121	9,041	65,185
Valerie Sorbie	1,347 1,536	60.43 60.55	November 24, 2027 March 9, 2027	- -	121	6,183	42,891

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, 2023 and the exercise price of such options.

² Calculated based on the market value of the shares on September 30, 2023 and the grant price of such awards.

³ Including DSUs

Director	Option-based awards value vested in year	Share-based awards value vested in year	Non equity incentive plan value earned in year
	\$	\$	\$
George Weber	-	53,172	N/A
Ray Basler	-	31,644	N/A
Lori O'Neill	-	20,419	N/A
Young Park	-	31,644	N/A
Jo-Anne Poirier	-	31,644	N/A
Ronald Richardson	-	35,074	N/A
Valerie Sorbie	-	32,130	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, 2023 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, 2023 to October 26, 2024 is \$204,347. 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 \$250,000 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.sedarplus.com.

DIRECTORS' APPROVAL

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

DATED: December 18, 2023



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 the auditors and if appropriate, recommend to the Board the approval thereof. 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. Based on the report received from the auditors and other information known or available to the Committee, determine if the level of auditor independence is adequate;

- 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 Chairs 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

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

A quorum shall be a majority of the members.

8. Resources to Support the Committee

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

Stock Option Plan

Overview of the Plan

The Stock Option Plan was originally adopted by the Board in November 2016 and was most recently confirmed and approved by shareholders of the Corporation at Calian's annual and special meeting of shareholders which took place on February 15, 2023 (the "2023 Meeting"). At the 2023 Meeting, shareholders of the Corporation approved an amendment to the Stock Option Plan to: (i) provide that all stock options granted under the plan shall have an exercise price equal to the five day volume weighted average trading price of the Common Shares on the Toronto Stock Exchange ("TSX") as of the date of grant; (ii) increase the period of time in which stock options can be exercised after retirement of an option holder to 18 months (up from 180 days); and (iii) permit the Corporation to create sub-plans in jurisdictions where additional terms may be required in order to grant stock options to its insiders, among other minor administrative amendments.

In accordance with the provisions of the Stock Option Plan, the administration of the Stock Option Plan has been delegated by the Board to the HR and Compensation Committee, whose mandate includes the ability to recommend, among other things, (i) the directors, officers and employees to whom stock options are granted, (ii) the number of stock options to be granted to directors, officers and employees and the terms and conditions of such stock options including the price at which Common Shares underlying such stock options may be purchased, provided that such price is not less than the market price of the Common Shares on the business day immediately preceding the date the stock option is granted and (iv) the adoption, amendment and rescinding of administrative guidelines and other rules and regulations relating to the Stock Option Plan. All stock options granted under the Stock Option Plan shall have an exercise price equal to the five day volume weighted average trading price of the Common Shares on the TSX ending with the business day prior to the date of the grant of such stock option. If the stock option is granted during a blackout period, the date of grant for such stock option shall be the business day after the expiry of such blackout period. Stock options granted under the Stock Option Plan are generally non-transferable and each stock option expires on the 10th anniversary of the date of grant of such stock option, unless terminated pursuant to the Stock Option Plan or unless otherwise specified by the HR and Compensation Committee, which date will not be later than 10 years from the date of grant of such stock option (unless the expiry falls during or within nine business days of the expiration of a blackout period, in which case the expiry date shall instead be 10 business days following the date the blackout period is lifted, terminated or removed).

Unless otherwise determined by the HR and Compensation Committee, one-third of any stock option shall vest and may be exercised following each anniversary of the date of grant of a stock option. The HR and Compensation Committee may by written notice to any participant accelerate the vesting of all or any portion of any stock option.

The vesting of any or all outstanding stock options of a participant shall be accelerated upon the occurrence of both a Change in Control (as such term is defined in the Stock Option Plan) and a termination of such holder within one year from the date of the Change in Control. Upon a Change in Control, the HR and Compensation Committee may provide for the conversion or exchange of any outstanding stock options into or for stock options, rights or other securities in any entity participating in or resulting from such Change in Control.

Employees, officers and directors of the Corporation and its affiliates are entitled to participate in the Stock Option Plan. Eligibility does not confer upon any employee, officer or director any right to be granted stock options under the Stock Option Plan. If a participant under the Stock Option Plan dies or becomes disabled while engaged with the Corporation, the right of that participant (or of that participant's legal representative) to participate in the Stock Option Plan terminates as of the date of death or disability, as may be applicable, but any vested stock options as of the date of such death or disability may be exercised within 180 days of that event (unless such stock options terminate earlier

pursuant to their terms) and any stock options that were not vested as of the date of such death or disability shall terminate immediately on the date of that event. If a participant under the Stock Option Plan retires from the Corporation, the right of that participant to participate in the Stock Option Plan terminates as of the date of retirement, but any vested stock options as of such date may be exercised within 18 months of such date (unless such stock options terminate earlier pursuant to their terms) and any stock options that were not vested as of the date of retirement shall terminate immediately on such date. If a participant under the Stock Option Plan is terminated by the Corporation or voluntarily resigns from the Corporation, that participant may exercise any vested stock options within 30 days of that event (unless such options terminate earlier pursuant to their terms) but any unvested stock options terminate immediately on the date of that event.

The maximum aggregate number of Common Shares that may be issued pursuant to the exercise of stock options granted pursuant to the 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 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 stock options granted under the Stock Option Plan, any Common Shares subject to a stock option that expires or terminates without having been fully exercised may be made the subject of a further stock option, and any exercises of stock options will make new grants available under the Stock Option Plan, effectively resulting in a "re-loading" of the number of stock options available to grant under the 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 Stock Option Plan, or when combined with all other security based compensation arrangements of the Corporation, cannot exceed 7% of the outstanding Common Shares, respectively. The equity award value of any grant of stock options to non-employee directors under the Stock Option Plan cannot exceed \$100,000 per year per non-employee director and the equity award value of any grant of stock 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. Except as otherwise provided, the Stock Option Plan does not restrict the maximum number of Common Shares any one person or company is entitled to receive. The Stock Option Plan does not authorize the Corporation to provide financial assistance to participants. The Stock Option Plan does not provide for the transformation of stock options granted under the Stock Option Plan into stock appreciate rights involving the issuance of securities from the treasury of the Corporation.

The Board may at any time without shareholder approval amend any provision of the Stock Option Plan, any terms of any stock options granted or terminate the Stock Option Plan, including, without limitation: (i) amendments relating to the payment of the exercise price of stock options (including by the inclusion of a cashless exercise feature), (ii) amendments deemed by the Board to be necessary or advisable because of any change in applicable securities laws or other laws, (iii) amendments relating to the administration of the plan or (iv) amendments of a clerical or housekeeping nature to ensure that stock options granted under the Stock Option Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a director, officer or employee may from time to time be resident or a citizen. Notwithstanding the foregoing, shareholder approval is required to make amendments to: (i) increase the maximum number of Common Shares that may be issued under the Stock Option Plan or any increase to the insider participation limits, (ii) increase the ability of the Board to amend the Stock Option Plan without shareholder approval, (iii) increase the limits imposed on non-director employee participation in the Stock Option Plan, (iv) reduce the exercise price of any stock option, (v) extend the term of any stock option beyond its expiry date, (vi) permit transferability or assignability other than for normal estate settlement purposes or (vii) add any form of financial assistance to a participant. Any amendment or termination of a stock option shall not materially and adversely alter the terms or conditions of any stock option or materially and adversely impair any right of any participant under any stock option granted before the date of any such amendment or termination without the consent such participant (unless otherwise required by law or as provided in the Stock Option Plan).

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

At September 30, 2023, stock options to purchase 212,416 Common Shares (representing approximately 1.8% of the aggregate number of issued and outstanding Common Shares) were outstanding under the Stock Option Plan. At December 18, 2023, stock options to purchase 227,838 Common shares were outstanding, representing 2.0% of the aggregate number of issued and outstanding Common Shares.

The Corporation's annual "burn rate" for stock options granted under the Stock Option Plan, calculated as described in Section 613(p) of the TSX Company Manual with respect to the number of issued and outstanding Common Shares (total number of stock options issued in a fiscal year, divided by the weighted average number of outstanding Common Shares for that year) was 0.2% for fiscal 2023, 0.4% for fiscal 2022 and 0.3% for fiscal 2021.

A&R SOP Resolution

At the meeting, shareholders will be asked to consider and, if deemed advisable, to pass the A&R SOP Resolution. The text of the A&R SOP Resolution is as follows:

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The Amended and Restated Stock Option Plan (the "A&R SOP") of Calian Group Ltd. ("Corporation"), substantially in the form attached as Appendix "[B]" to the management information circular of the Corporation dated December 18, 2023, and the issuance thereunder and under all other security based compensation arrangements of the Corporation of up to 7% of the issued and outstanding common shares of the Corporation, as at the applicable date of grant thereunder, is hereby approved, confirmed and ratified.
2. The unallocated options, rights or other entitlements under the A&R SOP are hereby approved.
3. The Corporation shall have the ability to continue granting awards under the A&R SOP until February 15, 2027, which is three years from the date of the meeting at which shareholder approval is being sought.
4. Any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute and deliver all such agreements, documents and instruments and to do and perform all acts and things as such individual, in his or her discretion, deems necessary or advisable in order to give effect to the intent of this resolution and the matters authorized hereby."

In the absence of contrary instructions, the management nominees named as proxyholders in the enclosed form of proxy intend to vote FOR the A&R SOP Resolution. The A&R SOP Resolution must be approved by the affirmative vote of at least a majority of the votes cast by shareholders present or represented by proxy at the meeting.

AMENDED AND RESTATED STOCK OPTION PLAN

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 the jurisdiction in which the Participant works;
- (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. For certainty, for Participants employed in the jurisdiction of Ontario, Canada, "Cause" is limited to wilful misconduct, disobedience or wilful neglect of duty that is not trivial and has not been condoned by the employer;
- (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 Optionee 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 or labour standards legislation in the jurisdiction in which the Optionee works, 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. “Termination Date” specifically does not mean the end date of any additional period of notice or reasonable notice that the Company or the Affiliated Company (as the case may be) may be required by contract or at law to provide to the Optionee. For certainty, the Optionee shall not receive any other entitlements contemplated in this Plan in respect of the termination of their employment (including in the event of constructive or wrongful dismissal), whether by contract, common law or otherwise, that are beyond the Termination Date.

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 7% 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 seven percent (7%) 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 seven percent (7%) 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.

6.13 Recovery Policy

All Options granted on or after December 11, 2023 (and any cash amounts paid or Common Shares issued thereunder) shall be subject to the Company's compensation recovery policy dated December 11, 2023, as may be amended, restated, modified or supplemented from time to time.

Date of original adoption: February 3, 2017

Date of amendment and restatement: February 15, 2024.

Appendix C

Restricted Share Unit Plan

Overview of the Plan and Resolution

The New RSU Plan was adopted by the Board on November 27, 2023 subject to shareholder approval being obtained at the meeting. The New RSU Plan allows for the grant of restricted share units ("RSUs") to the Corporation's officers and employees.

The Board is responsible for the general administration of the New RSU Plan. The Board has the power and authority to, among other things, (i) to determine which officers and directors are to be awarded RSUs and the number of RSUs to be awarded to those officers and directors, (ii) to determine the terms under which such RSUs are awarded (including, without limitation, those related to transferability, vesting and forfeiture), (iii) to prescribe the form of RSU agreement with respect to a particular award of RSUs, (iv) to interpret the New RSU Plan and determine all questions arising out of the New RSU Plan and any RSUs awards pursuant to the New RSU Plan and (v) to prescribe, amend and rescind rules and procedures relating to the New RSU Plan. To the extent permitted by applicable law, the Board may delegate to a committee of the Board all or any of the powers conferred on the Board under the New RSU Plan.

Subject to the terms of the New RSU Plan, the Board may from time to time award to any eligible person a number of RSUs the Board deems 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 Common Share. The Board may determine whether a participant is to be issued a Common Share or a cash payment equal to the fair market value of such Common Shares in satisfaction of each vested RSU. Fair market value under the New RSU Plan is defined as the closing price per Common Share on the TSX on the trading date immediately preceding such vesting date. Except as required by law, the rights of a participant under the New RSU 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.

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 each anniversary of the date of such RSU award.

All outstanding RSUs of a participant shall automatically and irrevocably vest in full upon the occurrence of both of the following: (i) any Change of Control (as such term is defined in the New RSU Plan) and (ii) if at any time within one year from the date of such Change of Control the participant's relationship with the Corporation is terminated. 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, with certain exemptions, any such converted or exchanged RSUs shall vest no later than the third anniversary of their original applicable award date. The Board also has the right to determine that outstanding RSUs shall not vest and shall, instead, be cancelled in the event of a Change of Control.

Employees and officers of the Corporation and its subsidiaries are eligible to participate in the New RSU Plan. If a participant under the New RSU Plan voluntarily resigns (other than a retirement) or is terminated for cause, all of such participant's RSUs which remain unvested shall immediately cease to vest and be forfeited without any compensation to such participant. If a participant under the New RSU Plan retires, is terminated without cause or dies, (i) the portion of such participant's RSUs which remain unvested shall vest such that the number of RSUs scheduled to vest on the next vesting date immediately following such retirement, termination 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 RSUs shall be settled and (ii) except as otherwise determined as having vested, all of such participant's RSUs which remain unvested shall immediately cease to vest and be forfeited without compensation to such participant.

The maximum aggregate number of Common Shares issuable pursuant to the New RSU 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 7% of the outstanding Common Shares 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 RSUs awarded under the New RSU Plan, any Common 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 New RSU Plan, effectively resulting in a "re-loading" of the number of RSUs available to grant under the New RSU 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 New RSU Plan, or when combined with all other security-based compensation arrangements of the Corporation, cannot exceed 7% of the Corporation's total issued and outstanding Common Shares as at the applicable award date, respectively. Except as otherwise provided, the New RSU Plan does not restrict the maximum number of Common Shares any one person or company is entitled to receive.

Certain amendments to the New RSU Plan may be made by the Board without notice or shareholder approval, at any time, including but not limited to the following: (i) making any amendments to the vesting provisions of each RSU set out in any RSU agreement; (ii) making any amendments to the provisions relating to termination, resignation, retirement or death of a participant; (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 New RSU 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; and (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. Subject to any additional requirements of the rules of the TSX, the following amendments to the New RSU 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 New RSU Plan that would increase the percentage of Common Shares issuable under the New RSU Plan, (ii) any amendment that would increase the number of Common Shares issuable to insiders under the New RSU 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 the amending provisions of the New RSU Plan.

No awards have been granted to date under the New RSU Plan.

The amendments described above are intended as a summary only and are qualified in their entirety by reference to the New RSU Plan which is attached as Appendix "[C]" hereto.

Burn Rate

The Corporation's annual "burn rate" RSU's granted under all restricted share unit plans adopted in prior or current years by the Corporation calculated as described in Section 613(p) of the TSX Company Manual with respect to the number of issued and outstanding Common Shares (total number of stock options issued in a fiscal year, divided by the weighted average number of outstanding Common Shares for that year) was 1.6% for fiscal 2023, 0.3% for fiscal 2022 and 0.3% for fiscal 2021.

Burn rates	2023	2022	2021
Stock Option Plan	0.20%	0.36%	0.28%
Restricted Share Unit Plan	1.61%	0.33%	0.19%
Deferred Share Unit Plan	0.03%	0.03%	0.03%

NEW RSU PLAN RESOLUTION

At the meeting, shareholders will be asked to consider and, if deemed advisable, to pass the New RSU Plan Resolution. The text of the New RSU Plan Resolution is as follows:

"RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The Restricted Share Unit Plan (the "New RSU Plan") of Calian Group Ltd. (the "Corporation"), substantially in the form attached as Appendix "[C]" to the management information circular of the Corporation dated December 18, 2023, and the issuance thereunder and under all other security based compensation arrangements of the Corporation of up to 7% of the issued and outstanding common shares of the Corporation, as at the applicable date of grant thereunder, is hereby approved.
2. The unallocated options, rights or other entitlements under the New RSU Plan are hereby approved
3. The Corporation shall have the ability to continue granting awards under the New RSU Plan until February 15, 2027, which is three years from the date of the meeting at which shareholder approval is being sought.
4. Notwithstanding that this resolution has been passed by the shareholders of the Corporation, the board of directors of the Corporation may revoke such resolution at any time before it has been effected without further action by the shareholders.
5. Any director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to do all things and execute and deliver all such agreements, documents and instruments and to do and perform all acts and things as such individual, in his or her discretion, deems necessary or advisable in order to give effect to the intent of this resolution and the matters authorized hereby."

In the absence of contrary instructions, the management nominees named as proxyholders in the enclosed form of proxy intend to vote FOR the New RSU Plan Resolution. The New RSU Plan Resolution must be approved by the affirmative vote of at least a majority of the votes cast by shareholders present or represented by proxy at the meeting. **In the event that shareholders do not approve the New RSU Plan Resolution at the meeting, then the Corporation will not be permitted to grant further RSUs thereunder** until such time, if any, as the New RSU Plan is then approved by the shareholders in accordance with the policies of the TSX.

RESTRICTED SHARE UNIT PLAN

1. INTRODUCTION

1.1 Purpose

The 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. For certainty, for Participants employed in the jurisdiction of Ontario, Canada, “Cause” is limited to wilful misconduct, disobedience or wilful neglect of duty that is not trivial and has not been condoned by the employer;
- (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) **“Insider”** has the meaning ascribed thereto in the TSX Corporation Manual;
- (o) **“Participant”** means an Eligible Person to whom RSUs have been awarded;
- (p) **“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;
- (q) **“Plan”** means this Restricted Share Unit Plan as amended from time to time;
- (r) **“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;
- (s) **“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;
- (t) **“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;
- (u) **“Share”** means a common share of the Corporation;
- (v) **“Subsidiary”** shall have the meaning ascribed thereto in the Act;
- (w) **“TSX”** means the Toronto Stock Exchange; and
- (x) **“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 February 15, 2024. 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 seven percent (7%) 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 seven percent (7%) 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 or cause to be maintained 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, 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, upon a bona fide 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 a Participant's status within the Corporation or any Subsidiary of the Corporation shall not be considered a termination and such Participant'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 a Participant'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 plus the remaining minimum period of statutory notice (if any) required by the applicable employment standards or labour standards legislation in the jurisdiction in which the Participant works, without regard to any additional period of notice or reasonable notice that the Corporation or Subsidiary of the Corporation, as the case may be, may be required by contract or at law (except the applicable provincial employment standards or labour standards legislation) to provide to such Participant 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. The Participant shall not receive any other entitlements contemplated in this Plan in respect of the termination of their employment (including in the event of constructive or wrongful dismissal), whether by contract, common law or otherwise that is beyond the minimum statutory notice period in the applicable employment standards or labour standards legislation in the jurisdiction in which the Participant works.

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.

4.15 Recovery Policy

All RSUs granted on or after December 11, 2023 (and any cash amounts paid or Common Shares issued thereunder) shall be subject to the Company's compensation recovery policy dated December 11, 2023, as may be amended, restated, modified or supplemented from time to time.

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 February 15, 2024..

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.

Corporate Information

Additional information about the Company such as the Company's Annual Information Form and Management Circular can be found on SEDAR at www.sedarplus.ca

Dated December 1, 2023

Corporate Head Office

770 Palladium Drive
Ottawa, Ontario, Canada K2V 1C8
Phone: 613.599.8600
Fax: 613.592.3664
Web: www.calian.com

Board of Directors

George Weber
Chair of the Board
Corporate Director, ICD.D

Ray Basler
Corporate Director, CPA, CA

Kevin Ford
CEO, Calian Group Ltd

Lori O'Neill
Corporate Director, FCPA, FCA, ICD.D, CPA

Young Park
Corporate Director, ICD.D

Jo-Anne Poirier
President and CEO, VON Canada, ICD.D

Ronald Richardson
Corporate Director, P. ENG., ICD.D

Valerie Sorbie
Partner and Managing Director, Gibraltar & Company

Common Share Information

The Company's common shares are listed for trading on the Toronto Stock Exchange under the symbol CGY.

Dividend Policy

The Company intends to continue to declare a quarterly dividend in line with its overall financial performance and cash flow generation. Decisions on dividend payments are made on a quarterly basis by the Board of Directors. There can be no assurance as to the amount of such dividends in the future.

Transfer Agent

Odyssey Trust Company
Trader's Bank Building 702, 67 Young Street
Toronto, Ontario M5E 1J8
Phone: 1-888-290-1175

Contact Information

Investor Relations inquiries: ir@calian.com
Media inquiries: pr@calian.com
General information inquiries: info@calian.com

