



Photon Control Inc.

NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR

For the Annual General Meeting of Shareholders

To be held on
June 16, 2020

Dated: May 15, 2020

ACCURATE



RELIABLE



RESPONSIVE

PHOTON CONTROL INC.
NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD JUNE 16, 2020

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Photon Control Inc. (the “Company”) will be held on Tuesday, June 16, 2020 at 10:30 a.m. (Pacific time) (the “Meeting”) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended December 31, 2019 with auditor’s report thereon;
2. to elect the directors of the Company for the ensuing year;
3. to re-appoint the Company’s auditor for the ensuing year and to authorize the directors to fix the remuneration to be paid to the Company’s auditor; and
4. to transact such other business as may properly come before the Meeting or any adjournment thereof.

An Information Circular, Proxy Form and Return Card also accompany this Notice of Meeting.

The Company is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with directors of the Company and management as well as other shareholders. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/267206440>. Non-registered shareholders (being shareholders who hold their common shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting.

As a shareholder of the Company, it is very important that you read the Information Circular of the Company dated May 15, 2020 and other Meeting materials carefully. They contain important information with respect to voting your common shares and attending and participating at the Meeting.

Only shareholders of record at the close of business on May 13, 2020 will be entitled to receive notice of, and to vote at, the Meeting or any adjournment thereof. Shareholders who are unable to or who do not wish to attend the Meeting are requested to date and sign the enclosed Proxy Form promptly and return it in the self-addressed envelope enclosed for that purpose or by any of the other methods indicated in the Proxy Form.

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her or it at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. **If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the Meeting as your proxy and vote your common shares, including if you are a non-registered shareholder and wish to appoint yourself as proxyholder to attend, participate and vote at the Meeting, you MUST register such proxyholder after having submitted your form of proxy or voting instruction form identifying such proxyholder.** Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate





in the Meeting. Without a Username, proxyholders will not be able to vote at the Meeting. To register a proxyholder, shareholders **MUST** visit <https://www.computershare.com/Photon> and provide Computershare Investor Services Inc. ("Computershare") with their proxyholder's contact information by June 12, 2020 by 10:30 a.m. (Pacific time), so that Computershare may provide the proxyholder with a Username via e-mail.

Proxies must be deposited with Computershare no later than 10:30 a.m. (Pacific time) on June 12, 2020, or if the Meeting is postponed or adjourned, by no later than two business days prior to the time of such postponed or adjourned meeting (excluding Saturdays, Sundays and holidays). Non-registered shareholders should carefully follow the instructions of their intermediaries to ensure that their common shares are voted at the Meeting in accordance with such shareholder's instructions.

Dated as of the 15th day of May, 2020.

BY ORDER OF THE BOARD

"Nigel Hunton"

NIGEL HUNTON
Director, Chief Executive Officer & President



PHOTON CONTROL INC.
2020 ANNUAL GENERAL MEETING OF SHAREHOLDERS
INFORMATION CIRCULAR

This Information Circular is furnished to the holders (the “shareholders”) of common shares (“Common Shares”) of Photon Control Inc. (the “Company”) by management of the Company in connection with the solicitation of proxies to be voted at the annual general meeting (the “Meeting”) of the shareholders to be held on Tuesday, June 16, 2020 at 10:30 a.m. (Pacific time) and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

The Meeting will be held as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the Meeting online is provided below.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The enclosed Proxy Form is solicited by and on behalf of management of the Company. The persons named in the enclosed Proxy Form are management designated proxyholders. A registered shareholder desiring to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting may do so either by inserting such other person’s name in the blank space provided in the Proxy Form or by completing another form of proxy as further described below in “Appointment of a Third Party as Proxy”

To be used at the Meeting, proxies must be received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 by no later than 10:30 a.m. (Pacific time) on June 12, 2020 or, if the Meeting is adjourned, by no later than 10:30 a.m. (Pacific time) two business days prior to the date on which the Meeting is reconvened (excluding Saturdays, Sundays and holidays). Solicitation will be primarily by mail and over the internet, but some proxies may be solicited personally or by telephone by regular employees or directors of the Company at a nominal cost. The cost of solicitation by management of the Company will be borne by the Company.

Non-Registered Holders

Only registered holders of Common Shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting by completing a ballot online during the Meeting, as further described below. See “Attending and Participating at the Meeting”. In many cases, however, Common Shares beneficially owned by a holder (a “Non-Registered Holder”) are registered either:

- (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBOs”.



In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), the Company has elected to send the Notice of Meeting and this Information Circular (collectively, the “Meeting Materials”) directly to NOBOs, and indirectly through Intermediaries to OBOs. The Company is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. Intermediaries will frequently use service companies to forward the Meeting Materials to OBOs. Generally, an OBO who has not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the OBO and must be completed, but not signed, by the OBO and deposited with Computershare Investor Services Inc.; or
- (b) more typically, be given a voting instruction form (“VIF”) which is not signed by the Intermediary, and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow.

The Company will not be paying for Intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the Meeting Materials and related documents. Accordingly, an OBO will not receive copies of the Meeting Materials and related documents unless the OBO’s Intermediary assumes the costs of delivery.

The Meeting Materials are being sent to both registered shareholders of the Company and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Meeting Materials sent to NOBOs who have not waived the right to receive Meeting Materials are accompanied by a VIF, instead of a Proxy Form. By returning the VIF in accordance with the instructions noted on it, a NOBO is able to instruct the voting of the Common Shares owned by the NOBO.

VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on the Non-Registered Holder’s behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder, or the Non-Registered Holder’s nominee, the right to attend and vote at the Meeting.

Non-Registered Holders should return their voting instructions as specified in the VIF sent to them. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Although Non-Registered Holders may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their broker, agent or nominee, a Non-Registered Holder may attend the Meeting as a proxyholder for a registered shareholder and vote Common Shares in that capacity. Non-Registered Holders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should



contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Common Shares as a proxyholder.

Voting before the Meeting

Common Shares represented by a shareholder's Proxy Form will be voted "For" or "Against", or withheld from voting on a particular issue in accordance with the shareholder's instructions on any ballot that may be called for at the Meeting and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

However, as further described herein, shareholders may choose another person to act as your proxyholder, including someone who is not a shareholder of the Company, by inserting another person's name in the blank space provided in the form of proxy or VIF. See "Appointment of a Third Party as Proxy".

In the absence of any instructions, the proxy agent named on the Proxy Form will cast the shareholder's votes in favour of the passage of the resolutions set forth herein and in the Notice of Meeting.

The enclosed Proxy Form confers discretionary authority upon the persons named therein with respect to (a) amendments or variations to matters identified in the Notice of Meeting and (b) other matters which may properly come before the Meeting or any adjournment thereof. At the time of printing of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

Voting at the Meeting

Registered shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. See "Attending and Participating at the Meeting".

Registered shareholders and Non-Registered Holders who have appointed themselves or a third party proxyholder to represent them at the Meeting will appear on a list of shareholders prepared by Computershare, the transfer agent and registrar for the Meeting. To have their Common Shares voted at the Meeting, each registered shareholder or proxyholder will be required to enter their control number or Username provided by Computershare at <https://web.lumiagm.com/267206440> prior to the start of the Meeting. In order to vote, Non-Registered Holders who appoint themselves as a proxyholder **MUST** register with Computershare at <https://www.computershare.com/Photon> **after** submitting their VIF in order to receive a Username (please see the information under the headings "Appointment of a Third Party as Proxy" below for details).

Non-Registered Holders who have not duly appointed themselves as proxyholder will not be able to vote at the Meeting. This is because the Company and its transfer agent do not have a record of the Non-Registered Holders of the Company, and, as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder.

Appointment of a Third Party as Proxy

The following applies to shareholders who wish to appoint a person (a "Third Party Proxyholder") other than the management nominees set forth in the form of proxy or VIF as proxyholder, including Non-Registered Holders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a Third Party Proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Common Shares MUST submit their proxy or VIF (as applicable) appointing such Third Party Proxyholder AND register the Third Party Proxyholder, as described below. Registering your proxyholder is an



additional step to be completed AFTER you have submitted your proxy or VIF. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

- **Step 1: Submit your proxy or VIF:** To appoint a Third Party Proxyholder, insert such person's name in the blank space provided in the form of proxy or VIF (if permitted) and follow the instructions for submitting such form of proxy or VIF. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or VIF. If you are a Non-Registered Holder located in the United States, you must also provide Computershare with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under this section for additional details.
- **Step 2: Register your proxyholder:** To register a proxyholder, shareholders **MUST** visit <https://www.computershare.com/Photon> by **June 12, 2020 at 10:30 a.m. (Pacific time)** and provide Computershare with the required proxyholder contact information, so that Computershare may provide the proxyholder with a Username via e-mail. Without a Username, proxyholders will not be able to vote at the Meeting.

A proxy can be submitted to Computershare either in person, or by mail or courier, to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or via the internet at www.investorvote.com. The proxy must be deposited with Computershare by no later than 10:30 a.m. (Pacific time) on June 12, 2020 or if the Meeting is adjourned or postponed, not less than two business days prior to the date on which the Meeting is reconvened (excluding Saturdays, Sundays and holidays). If a shareholder who has submitted a proxy attends the Meeting via the webcast and has accepted the terms and conditions when entering the Meeting online, any votes cast by such shareholder on a ballot will be counted and the submitted proxy will be disregarded.

Without a Username, proxyholders will not be able to vote at the Meeting.

If you are a Non-Registered Holder and wish to vote at the Meeting, you have to insert your own name in the space provided on the VIF sent to you by your Intermediary, follow all of the applicable instructions provided by your Intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary. Please also see further instructions below under the heading "Attending and Participating at the Meeting".

If you are a Non-Registered Holder located in the United States and wish to vote at the Meeting or, if permitted, appoint a Third Party Proxyholder, in addition to the steps described above and below under "Attending and Participating at the Meeting", you must obtain a valid legal proxy from your Intermediary. Follow the instructions from your Intermediary included with the legal proxy form and the VIF sent to you, or contact your Intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your Intermediary, you must then submit such legal proxy to Computershare. Requests for registration from Non-Registered Holders located in the United States that wish to vote at the Meeting or, if permitted, appoint a Third Party Proxyholder must be sent by e-mail or by courier to: uslegalproxy@computershare.com (if by e-mail), or Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 (if by courier), and in both cases, **must be labeled as "Legal Proxy"** and be received no later than June 12, 2020 by 10:30 a.m. (Pacific time). You will receive a confirmation of your registration by e-mail after we receive your registration materials. You may attend the Meeting and vote your Common Shares at <https://web.lumiagm.com/267206440> during the Meeting. Please note that you are required to register your appointment at www.computershare.com/Photon.



Attending and Participating at the Meeting

The Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting is provided below. The Meeting will begin at 10:30 a.m. (Pacific time) on Tuesday, June 16, 2020. In order to vote at the Meeting (including for voting and asking questions at the Meeting), shareholders must have a valid Username.

Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online. To do so, please go to <https://web.lumiagm.com/267206440> prior to the start of the Meeting. Such persons may then enter the Meeting by clicking "**I have a login**" and entering a Username and Password before the start of the Meeting:

- **Registered shareholders:** The 15-digit control number located on the form of proxy or in the e-mail notification you received is the Username. The Password to the Meeting is "photon2020" (case sensitive).

If as a registered shareholder you are using your control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies for the Meeting and will be provided the opportunity to vote by online ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the meeting as a guest.

- **Duly appointed proxyholders:** Computershare will provide the proxyholder with a Username by e-mail after the voting deadline has passed. The Password to the Meeting is "photon2020" (case sensitive).

Only registered shareholders and duly appointed proxyholders will be entitled to vote at the Meeting.

Non-Registered Holders who have not duly appointed themselves as proxyholder will only be able to attend the Meeting as a guest. Such shareholders will be able to listen to the Meeting but will not be able to vote or submit questions. Please see the information under the heading "Non-Registered Holders" for an explanation of why certain shareholders may not receive a form of proxy. To attend the Meeting as a guest, please go to <https://web.lumiagm.com/267206440> prior to the start of the Meeting. Such persons may then enter the Meeting by clicking "**I am a guest**" and completing the online form.

Shareholders who wish to appoint a Third Party Proxyholder to represent them at the Meeting (including Non-Registered Holders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) **MUST submit their duly completed proxy or VIF AND register the proxyholder**. See "Appointment of a Third Party as Proxy".

If you are a Non-Registered Holder located in the United States and wish vote at the Meeting or, if permitted, appoint a third party as your proxyholder, you **MUST also submit your legal proxy to Computershare**. See "Appointment of a Third Party as Proxy".

If you attend the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. In order to participate online, shareholders must have a valid 15-digit control number and proxyholders must have received an e-mail from Computershare containing a Username. It is

your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedure.

Depositing Proxies

Your proxy can be submitted to Computershare either in person, or by mail or courier, to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or via the internet at www.investorvote.com. The proxy must be deposited with Computershare by no later than 10:30 a.m. (Pacific time) on June 12, 2020, or if the Meeting is adjourned or postponed, not less than two business days, excluding Saturdays, Sundays and holidays, before the commencement of such adjourned or postponed Meeting.

If you have received a VIF, you should carefully follow the instructions set out therein to ensure that your Common Shares are voted at the Meeting in accordance with your instructions. If you are a Non-Registered Holder, you should also carefully follow the instructions provided by your Intermediary to ensure that your Common Shares are voted at the Meeting in accordance with your instructions.

Revocability of Proxies

A registered shareholder who has given a proxy may revoke it by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the Meeting at which the proxy is to be used, or
 - (b) if as a registered shareholder you are using your control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies and will be provided the opportunity to vote by online ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the meeting as a guest.
- or
- (c) if you are a Non-Registered Holder and wish to revoke previously provided voting instructions, you should follow carefully the instructions provided by your Intermediary.

Voting Shares and Principal Holders Thereof

Only Common Shares carry voting rights at the Meeting, with each Common Share carrying the right to one vote. The board of directors of the Company (the “Board of Directors” or “Board”) has fixed May 13, 2020 as the record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment thereof, and only shareholders of record at the close of business on that date are entitled to such notice and to vote at the Meeting. As of May 13, 2020, 104,556,890 Common Shares were issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors and executive officers of the Company, as at May 13, 2020, no person beneficially owned, or controlled or directed, directly or indirectly, shares carrying more than 10% of the voting rights attached to the Company’s issued and outstanding Common Shares; other than as disclosed below:

Name of Shareholder	Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares⁽¹⁾
Mawer Investment Management Ltd.	11,377,553	10.89%

(1) Based on an issued and outstanding of 104,556,890 Common Shares on a non-diluted basis.



Votes Necessary to Pass Resolutions at the Meeting

Under the Company's Articles, the quorum for the transaction of business at the Meeting consists of two shareholders whether present in person or represented by proxy, holding in the aggregate at least 5% of the issued Common Shares entitled to be voted at the Meeting. A simple majority of the votes cast at the Meeting (in person or by proxy) is required in order to pass the resolutions referred to in the accompanying Notice of Meeting.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2019, report of the auditor and related management's discussion and analysis, all of which may be obtained from SEDAR at www.sedar.com, will be placed before the Meeting and have been filed with the securities commissions or similar regulatory authority in British Columbia, Alberta and Ontario.

ELECTION OF DIRECTORS

The number of directors of the Company is currently fixed at five. The persons named below are the five nominees of management for election as directors, all of whom are current directors of the Company. Each director elected will hold office until the next annual general meeting or until the director's successor is elected or appointed unless the director's office is earlier vacated under any of the relevant provisions of the Articles of the Company or the *Business Corporations Act* (British Columbia). It is the intention of the persons named as proxyholders in the enclosed Proxy Form to vote for the election to the Board of Directors of those persons hereinafter designated as nominees for election as directors. The Board of Directors does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in such shareholder's Proxy Form that such shareholder's shares are to be withheld from voting in the election of directors.**

The following table and the biographies below set out the name of each of the persons proposed to be nominated for election as a director; all positions and offices in the Company presently held by the nominee; the nominee's principal occupation or employment for the last five years; the period during which the nominee has served as a director; and the number of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of May 13, 2020. The information has been provided by each of them and is outside the knowledge of management.

Name, place of residence and positions with the Company	Principal occupation	Period served as a director	Common Shares beneficially owned or controlled/directed
Charles F. Cargile ⁽¹⁾ California, U.S.A. Director	Chief Executive Officer, Sunworks, Inc.	Since March 31, 2017	149,000
Nigel Hunton California, U.S.A. Director, Chief Executive Officer & President	Director, Chief Executive Officer & President, Photon Control Inc.	Since May 2, 2019	120,000
Michele Klein ⁽²⁾ California, U.S.A. Director	Chief Executive Officer, Jasper Ridge Inc.	Since October 23, 2017	159,000
D. Neil McDonnell ⁽³⁾ British Columbia, Canada Director & Board Chair	Independent businessman	Since November 2, 2016	211,909

Ronan McGrath ⁽⁴⁾ Ontario, Canada Director	Consultant, corporate director & private investor	Since July 20, 2016	316,000
---	--	------------------------	---------

- (1) Mr. Cargile is currently the Chair of the Company's Compensation, Corporate Governance and Nominating Committee (the "CGN Committee"), and a member of the Audit Committee.
- (2) Ms. Klein is a member of the Audit Committee.
- (3) Mr. McDonnell is currently the Chair of the Board, and a member of the CGN Committee. Mr. McDonnell served as Interim Chief Executive Officer ("CEO") of the Company from December 2, 2018 to May 1, 2019 and had an interim CEO transition services agreement in place with the Company until June 30, 2019, see "Employment Contracts with Named Executive Officers" below.
- (4) Mr. McGrath is currently the Chair of the Audit Committee, and a member of the CGN Committee.

Director Biographies

Charles F. Cargile, Director, Compensation, Corporate Governance & Nominating Committee Chair

Mr. Cargile has served as a Director of Photon Control Inc. since March 2017 and is Chair of the Compensation, Corporate Governance & Nominating Committee. Mr. Cargile has been the CEO of Sunworks, Inc. since 2017 and a Director since 2016. Sunworks, Inc. is a premier provider of high-performance solar power solutions for agriculture, commercial, industrial, public works and residential markets. Prior to his role at Sunworks, Inc., Mr. Cargile was the CFO of Newport Corp., a position he held from 2000 until 2016, until Newport Corp. was acquired by MKS Instruments, Inc. for approximately US \$1 billion in 2016. Mr. Cargile has an extensive background in financial and strategic planning, public company M&A, operations, information technology and capital structure management. Prior to his role at Newport Corp., he worked at York International Corporation and Flowserve Corporation. Mr. Cargile holds an Advanced Professional Director Certification from the American College of Corporate Directors, a Bachelor of Science in Accounting from Oklahoma State University and an MBA from the Marshall School of Business at the University of Southern California.

Nigel Hunton, Director, CEO & President

Mr. Hunton has served as a Director and the President & CEO of Photon Control Inc. since May 2019. From April 2017 to April 2019, he was President and COO of Ferrotec (USA) Corporation, a leading supplier of materials and components to the semiconductor industry. He was an independent consultant from January 2016 to March 2017. From 2012 to 2015, he was CEO of MBA Polymers Inc., the world's leading cleantech recycler of high value plastics. Prior to his role at MBA Polymers Inc., Mr. Hunton had a 27-year career at BOC and Edwards where he held various positions, including serving as CEO of Edwards from 2006 to 2010. He was responsible for the sale of Edwards to a private equity firm and successfully restructuring the company, and served as Chair from 2010 to 2011 where he positioned the company for its eventual IPO in May 2012. Mr. Hunton earned a Bachelor of Science from the University of Manchester Institute of Science and Technology in Mechanical Engineering.

Michele Klein, Director

Ms. Klein has served as a Director of Photon Control Inc. since October 2017 and is a member of the Audit Committee. Ms. Klein has been the CEO and Director of Jasper Ridge Inc., a technology company developing equipment to improve vision, since 2010. Prior to Jasper Ridge Inc., Ms. Klein was Senior Director of Applied Ventures, LLC, the venture capital arm of Applied Materials, Inc., where she recommended and managed investments in energy storage and solar energy, representing Applied Materials, Inc. on the boards of seven technology companies. Ms. Klein co-founded Boxer Cross Inc., a semiconductor equipment manufacturer, serving as CEO and Director from 1997 until its acquisition by Applied Materials, Inc. in 2003. She previously co-founded and was a Director of High Yield Technology Inc., a semiconductor metrology company, from 1986 until its acquisition by a public company in 1996. Prior to that, Ms. Klein held management positions at Knoll International and Hewlett-Packard. Ms. Klein is a Director of Intevac, Inc., manufacturer of thin film production and digital imaging systems, a Director of Gridtential Energy Inc., an advisory board member of



Illuminate Ventures, and former Chair of Stanford Women on Boards. Ms. Klein earned a BS from the University of Illinois and an MBA from the Stanford Graduate School of Business.

D. Neil McDonnell, Director, Board Chair

Mr. McDonnell has served as a Director of Photon Control Inc. since 2016, Chair of the Board of Directors since 2017, and held the position of Interim CEO from December 2018 until May 2019. He has been President and CEO of Javini Holdings Co., a strategic advisory firm since June 2000. A recognized leader in the Canadian technology space, Mr. McDonnell is currently Chair of Nanotech Security Corp., Director of Quorum Information Technologies Inc., and Director of Redline Communications Inc. He was previously Chair of Agreement Express Inc., Chair of BasicGov Systems, Inc., Director of Espial, Chair of EDP Software, Executive Chair of ResponseTek, Chair of QHR Technologies Inc., Director of Symbility Software Inc., and CEO of Wurldtech Security Technologies Ltd. Mr. McDonnell holds an MBA from the University of British Columbia and a Bachelor of Commerce from the University of Toronto.

Ronan McGrath, Director, Audit Committee Chair

Mr. McGrath has served as a Director of Photon Control Inc. since July 2016, served as Lead Director from December 2018 until May 2019, and is Chair of the Audit Committee. Mr. McGrath is an investor and corporate director. He also consults on strategic issues to major technology companies. Mr. McGrath is currently a Director and Audit Committee Chair of Nanotech Security Corp., and has previously served as Lead Director and Audit Committee Chair of Symbility Solutions Inc. He is the former Chief Information Officer of Rogers Communications Inc. and former President of Rogers Shared Services. He was responsible for the team that restructured the alliance between Rogers and Microsoft in July 1999. Prior to his role at Rogers, Mr. McGrath was the Chief Information Officer of Canadian National Railway Company, responsible for the complete rebuild of its information technology capability, the restructuring of the company, and the development of the initial strategic review of the company's future that led to privatization of the company. He was awarded the Chief Information Officer of the Year award in Canada in 1995, has served in the past on the advisory boards of a number of technology companies, including Compaq Computer Corporation and Lotus Development Corporation, and is a past Chair of the Information Technology Association of Canada (ITAC). Mr. McGrath, a Chartered Accountant, is a graduate in Business Administration at Trinity College, Dublin.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of the Company's knowledge, none of the proposed directors is, as at the date of this Information Circular, or has been, within the ten years preceding the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), when such Order was issued while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company; or
- (b) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, and which resulted from an event that occurred while the person was acting in the capacity of a director, chief executive officer or chief financial officer of the relevant company.

To the best of the Company's knowledge, no proposed director is, as at the date of this Information Circular, or has been, within the ten years preceding the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or

was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the best of the Company's knowledge, no proposed director has, within the ten years preceding the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

To the best of the Company's knowledge, no proposed director has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Board recognizes that it is responsible for the stewardship of the Company, overseeing the conduct of the Company's business and supervising management of the Company who remain responsible for the conduct of the business. The Board exercises its independent supervision by holding regular board meetings and soliciting input from management and the Company's auditor as required.

The Board operates under a written mandate (the "**Board Mandate**") a copy of which is attached as Appendix A to this Information Circular.

Board Independence

The Board of Directors currently consists of five directors. Four of the directors – Charles F. Cargile, Michele Klein, D. Neil McDonnell, and Ronan McGrath – are considered independent. Nigel Hunton, who is also a director, serves as the President and CEO of the Company and is, therefore, not considered independent under applicable securities rules. The Board of Directors is, therefore, comprised of a majority of independent directors.

The independent members of the Board hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present. In 2019, the independent members of the Board held 9 such meetings.

The Chair of the Board is independent. For a portion of 2018 and 2019, Mr. McDonnell acted as Interim President and CEO while still serving as Chair of the Company during which period a search for a permanent President and CEO was completed. The Board has determined that Mr. McDonnell's acting as Interim President and CEO did not compromise his independence during that time.

The Chair of the Board is responsible for, among other things: (i) providing leadership to foster the effectiveness of the Board, including guiding the other members of the Board in discharge of their duties; (ii) ensuring there is an effective relationship between the Board and senior management of the Company; (iii) ensuring that the appropriate committee structure is in place and assisting the CGN Committee in making recommendations for appointment to such committees; (iv) in consultation with the other members of the Board and the Chief Executive Officer of the Company, preparing the agenda for each meeting of the Board; (v) ensuring that the directors receive the information required for the proper performance of their duties, including information relevant to each meeting of the Board; (vi) supporting effective shareholder communication by the Company in conjunction with management and ensuring that the Company is appropriately responsive to shareholder inquiries; (vii) chairing Board meetings, including stimulating



debate, providing adequate time for discussion of issues, facilitating consensus, encouraging full participation and discussion by individual directors and confirming that clarity regarding decision-making is reached and accurately recorded; (viii) chairing all shareholder general meetings; (ix) together with the CGN Committee, ensuring that an appropriate system is in place to evaluate the performance of the Board as a whole, the Board's committees and individual directors, with a view to ensuring that they are fulfilling their respective responsibilities and duties, and making recommendations to the CGN Committee for changes when appropriate; (x) consulting with the CGN Committee on candidates for nomination or appointment to the Board; (xi) working with the Chief Executive Officer to ensure that the Board is provided with the resources to permit it to carry out its responsibilities and bringing to the attention of the CEO any issues that are preventing the Board from being able to carry out its responsibilities; and (xii) providing additional services required by the Board.

Position Descriptions

The Board has approved position descriptions for the Chair, the Lead Director, the chair of each Board committee and the Chief Executive Officer, all of which are available on the Company's website.

Directorships

The existing and proposed directors of the Company who are presently directors of other reporting issuers in Canada or elsewhere are as set out below:

Director	Other Reporting Issuers
Charles F. Cargile	Sunworks, Inc.
Nigel Hunton	–
Michele Klein	Intevac, Inc.
D. Neil McDonnell	Nanotech Security Corp., Redline Communications Inc., Quorum Information Technologies Inc.
Ronan McGrath	Nanotech Security Corp.

Director Attendance at Board Meetings

During the year ended December 31, 2019, the Company held a total of 16 Board and committee meetings.

Director	Attendance at Board Meetings	Attendance at Audit Committee Meetings	Attendance at CGN Committee Meetings
Charles F. Cargile	8 of 9	3 of 4	3 of 3
Nigel Hunton ⁽¹⁾	7 of 7	–	–
Michele Klein	9 of 9	4 of 4	–
D. Neil McDonnell	9 of 9	–	3 of 3
Ronan McGrath	9 of 9	4 of 4	2 of 3

(1) Mr. Hunton joined the Board on May 2, 2019.

Orientation and Continuing Education

New directors are provided with an information package on the Company's business including financial position and relevant policies as well as the terms of reference of the Board committees. Although the Company does not have a formal program for the continuing education of directors, the Board ensures that its directors maintain the skill and

knowledge necessary to meet their obligations as directors of the Company by scheduling presentations to the Board from time to time to educate directors and keep them informed of developments within the Company and of disclosure and governance requirements and standards along with providing information relating to education programs provided by other industry and market participants such as audit and legal firms.

Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics which applies to the employees of the Company. The Board expects that fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as provisions under corporate legislation for required disclosure by directors and senior officers to the Company of transactions with the Company in which they may have an interest and of any other conflicts of duties and interests, will also ensure that these persons conduct themselves in the best interests of the Company.

In addition to the Code of Business Conduct and Ethics, the Board has adopted a "Whistleblowing Policy" wherein the Company's employees are provided with the mechanics by which they may raise concerns in a confidential and anonymous process.

The CGN Committee monitors compliance with the Code of Business Conduct and Ethics. Additionally, any complaints or concerns that are received through the Company's Whistleblowing Policy shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

The Code of Business Conduct and Ethics can be viewed on the Company's website or on SEDAR at www.sedar.com.

Nomination of Directors

The Board has established a CGN Committee which provides oversight of the Company's corporate governance practices and ensures that these practices conform to both regulations and reasonableness in protecting the interests of shareholders and other stakeholders of the Company.

The CGN Committee, in consultation with the Chair of the Board and the Chief Executive Officer, is responsible for recruiting and identifying individuals qualified to become new Board members and making recommendations to the Board regarding new director nominees, annually or as required. Further, the CGN Committee is responsible for recommending to the Board the individual director appointments to each Board committee, annually or as required.

Assessments

The CGN Committee is responsible for ensuring that an appropriate system is in place to evaluate the effectiveness of the Board as a whole, the individual committees of the Board, and the individual members of the Board and such committees with a view of ensuring that they are fulfilling their respective responsibilities and duties. In connection with such evaluations, each director is required to provide his or her assessment of the effectiveness of the Board and each committee as well as the performance of the individual directors, annually. Such evaluations take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee, as well as any other relevant facts.

Compensation

The CGN Committee recommends to the Board for approval the compensation for the directors and the Chief Executive Officer of the Company. The CGN Committee annually reviews the compensation of the Chief Executive Officer.



Term Limits

The Board has not adopted term limits for Board members, mandatory retirement policies or other mechanisms of Board renewal. However, the CGN Committee has a process in place for the annual review of the effectiveness of the Board as a whole, the individual committees of the Board, and the individual members of the Board. Through this annual review process, the CGN Committee determines whether an individual director is able to continue to make an effective contribution and recommend changes when appropriate. The Board is of the view that a regular review process is more effective than arbitrary term limits or other mechanisms of Board renewal such as a mandatory retirement age.

Policies Regarding the Representation of Women on the Board

The Company has not adopted a written policy relating to the identification and nomination of women directors. However, the Board has made proactive efforts to increase gender diversity, including the appointment of Michele Klein in October 2017.

The Board recognizes that embracing diversity and inclusiveness is beneficial to creating a culture of openness to diverse points of view and opinions. The Board also believes that the interests of the Company are better served by ensuring that new directors are identified and selected from the widest possible group of potential candidates.

The Board feels that having written policies governing the selection of Board nominees could unduly restrict the Board's ability to select the most capable candidates. The Company is committed to ensuring that its Board at all times has the required range of skills, knowledge, experience and perspectives to provide the strategic direction and leadership necessary for the Company to achieve its business objectives. When considering and recommending qualified director nominees to the Board, the CGN Committee takes into consideration the background and diversity of all directors and nominees. Gender is one component in the overall list of factors that the CGN Committee considers in putting forward director nominations for election and re-election.

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

Given that the Company intends to identify and select candidates for director from the widest possible group of qualified individuals, the level of representation of women on the Board is not considered in identifying and nominating candidates for election or re-election to the Board.

Consideration Given to the Representation of Women in Executive Officer Appointments

The Company's employment decisions will be based on reasons related to the Company's business, such as job performance, individual skills and talents, and other business-related factors. Similar to the composition of the Board, the Company believes that people should be hired and promoted based on their professional qualifications, accomplishments and merit. Accordingly, the level of representation of women in executive officer positions is not considered in making executive officer appointments.

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

The Board has not adopted a target regarding women on the Board or in executive officer positions for the reasons set out above. The Board feels that adopting such a target could unduly restrict the Company's ability to identify and select the most qualified people.



Number of Women on the Board and in Executive Officer Positions

As of the date of this Information Circular, one out of five (20%) of the Company's directors, and two out of four (50%) of the Company's executive officers are women.

Majority Voting Policy

The Company has adopted a majority voting policy (the "Majority Voting Policy"). Pursuant to the provisions of the Majority Voting Policy, a nominee for election as a director of the Company who does not receive a greater number of votes "for" than votes "withheld" with respect to the election of directors by shareholders shall offer to tender his or her resignation to the Chair of the Board promptly following the meeting of shareholders at which the director was elected. The CGN Committee will promptly consider such offer and make a recommendation to the Board whether to accept it or not. The Board will promptly accept the resignation unless it determines that there are exceptional circumstances. The Board shall act on the CGN Committee's recommendation in respect of a resignation tendered pursuant to the Majority Voting Policy within 90 days following the date of the applicable election and shall promptly disclose, via press release, its decision whether to accept the director's resignation offer or the reasons for rejecting the resignation offer, as applicable. A director who tenders a resignation pursuant to the Majority Voting Policy will not participate in any meeting of the Board or the CGN Committee at which the resignation is considered. The Majority Voting Policy will not apply to contested meetings at which the number of directors nominated for election is greater than the number of seats available on the Board.

Audit Committee Disclosure

Pursuant to the *Business Corporations Act* (British Columbia) and National Instrument 52-110 – *Audit Committees* ("NI 52-110"), the Company is required to have an audit committee. NI 52-110 requires the Company's Audit Committee to meet certain requirements and requires the Company to disclose certain information regarding the Audit Committee. The required information has been disclosed in the Company's Annual Information Form for the year ended December 31, 2019, which can be found on the Company's profile at www.sedar.com.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation of Executive Officers

During the Company's financial year ended December 31, 2019, the "Named Executive Officers" or "NEOs" (as such terms are defined in Form 51-102F6 – *Statement of Executive Compensation*) of the Company were Nigel Hunton (Director, President and CEO), D. Neil McDonnell (Chair of the Board, and former Interim President and CEO), Daniel Lee (former CFO), Nalini McIntosh (VP, Culture, Talent and Business Systems), John Rydstrom (former Senior VP, Sales) and Sal Akram (former Senior VP, Engineering). Set out below are particulars of compensation paid to the NEOs.

Elements of Compensation

During the Company's financial year ended December 31, 2019, executive compensation consisted of a salary or fee payment, bonuses based on defined targets and equity-based compensation in the form of long-term incentive stock options. The form and amount of such compensation was evaluated by the CGN Committee and then recommended to the Board of Directors for review and approval.

All dollar amounts in this section are reflected in Canadian dollars unless otherwise stated. Excepted as stated, all US dollar amounts that have been converted into Canadian dollars, have been converted at the average daily exchange rate for the applicable year as published by the Bank of Canada. The rate for 2019 was US \$1.00 = CDN \$1.3269 and the rate for 2018 was US \$1.00 = CDN \$1.2957.



The Company's approach to executive compensation is to "pay for performance". Accordingly, salary is generally targeted near market median levels, while variable compensation opportunities (short and long-term incentives) are structured to provide above-market total compensation for high levels of corporate performance.

Compensation elements are designed to balance the following compensation objectives:

- Alignment of total compensation realized with the overall performance of the Company;
- Encouragement for a long-term view to shareholder value creation by providing equity-based compensation; and
- Compensation programs to facilitate the attraction, retention and motivation of experienced and talented executives who, in turn, drive shareholder value creation.

Compensation awarded to, earned by, paid to, or payable to the Company's NEOs for the financial year ended December 31, 2019 includes base salary, which is designed to reward the executive officers for fulfilling their day-to-day responsibilities. Base salaries are generally reviewed annually to ensure they reflect the individual's expertise and performance in fulfilling their role and responsibilities, internal equity and market competitiveness. An executive officer's base salary may be below or above the median for the position depending on a number of factors including experience, market competitiveness, performance, retention and the recommendation of the CEO.

A second component of the executive officers' compensation is a cash bonus. The cash bonus recognizes short-term (typically annual) efforts, business execution and performance of the annual goals of the Company as set out in the Board approved business plan and strategy. Performance incentive payments are determined by the CGN Committee based upon a discretionary assessment of individual and corporate performance.

The Board has also adopted the Option Plan (as defined below), and provides other benefits to certain of its executive officers in the form of payment of premium costs for employee life insurance, medical and dental benefits, and cellular phones. Such other benefits are designed to provide market-competitive benefits to the executive officers of the Company.

The Company has not yet selected a compensation peer group against which to benchmark market-competitive levels of executive and director compensation.

Option-Based Awards

The Board has adopted the Option Plan. The Board has delegated to the CGN Committee the responsibility for administering and interpreting the Company's security-based compensation arrangements and the policies respecting the grant of options, or the sale or issuance, as applicable, of Common Shares thereunder, and reviewing and recommending to the Board grants of options and the terms thereof. Awards of options under the Option Plan are subject to certain limitations set out in the Option Plan as well as the approval of the Board and the CGN Committee, as applicable. Such awards are generally based on the executive officer's total target compensation relative to his or her peers and their level within the organization. Options are not granted to reward past performance, but rather as forward-looking incentive. Previous grants of options are also taken into account when considering additional grants of options. For additional information regarding the Option Plan, please see "Stock Option Plans and Other Incentive Plans – Stock Option Plan".

Compensation Governance

The Board of Directors of the Company has established the CGN Committee which is required to be comprised of at least three directors. The Chair of the CGN Committee is appointed by the Board. The CGN Committee meets as often as it deems necessary or desirable.



The current members of the CGN Committee are Charles F. Cargile (Chair), D. Neil McDonnell, and Ronan McGrath, all of whom are considered independent directors. Each of the CGN Committee members has prior management experience determining compensation plans and compensation level in other organizations.

The CGN Committee is responsible for determining and making recommendations with respect to all forms of compensation to be granted to the CEO, and reviewing the CEO's recommendations respecting compensation of the other senior executive officers of the Company. In particular, the CGN Committee is responsible for, among other things: (i) reviewing and approving corporate goals and objectives relevant to compensation of the CEO, evaluating his or her performance in light of such corporate goals and objectives, and making recommendations to the Board with respect to his or her compensation levels based on such evaluation; (ii) reviewing recommendations from the CEO regarding the appointment, compensation and other terms of employment of the CFO, and other officers, and making recommendations to the Board regarding the same; (iii) reviewing executive compensation disclosure before the Company publicly discloses this information; (iv) preparing and submitting to the Board at least annually a report on human resource matters of the Company; (v) preparing an annual report for inclusion in the Company's management information circular to shareholders respecting the process undertaken by the CGN Committee in its review and preparing a recommendation in respect of CEO compensation; (vi) administering and interpreting the Company's security-based compensation arrangements and its policies respecting the grant of options or sale of shares thereunder, and reviewing and recommending to the Board grants of options and terms thereof; (vii) reviewing the Company's pension and retirement arrangements, if any, in light of the overall compensation policies and objectives of the Company; (viii) periodically reviewing the terms of the Company's executive compensation programs to determine if they are properly coordinated and achieving their desired purpose; (ix) overseeing the Company's compliance with any rules promulgated by a regulatory body prohibiting loans to officers and directors of the Company; (x) establishing a committee work plan that is disclosed publicly; (xi) periodically retaining the services of a compensation consultant; and (xii) reviewing and assessing the adequacy of the its mandate at least annually.

The CGN Committee has the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities, including a compensation consultant, at the expense of the Company. Any other work or services performed by such compensation consultant at the request of management must, however, be pre-approved by the CGN Committee.

The CGN Committee set Mr. McDonnell's cash compensation as Interim President and CEO at the same rate as the former President and CEO as the appointment was for an interim period. Mr. McDonnell did not receive any bonus, option-based, or share-based awards for his services as Interim President and CEO.

The CGN Committee set Mr. Hunton's compensation as Director, President and CEO through negotiation between him and the CGN Committee, as set forth in the Hunton Employment Agreement. The CGN Committee attempts to take a balanced approach to executive compensation by providing both short and long-term incentive plans tied to performance. Each executive position, including the CEO, is reviewed periodically in terms of salary, bonus, long-term incentives (such as options and shares) and actual performance. After each review, the CGN Committee makes a formal recommendation to the Board.

The CGN Committee's objective is to ensure the Company provides a competitive compensation package that reflects both base expectations to attract and retain appropriately experienced and qualified individuals, as well as to provide a link between discretionary short and long-term incentives with short and long-term corporate goals. The compensation package is designed to reward performance based on the achievement of performance goals and objectives and to be competitive with comparable companies in the market in which the Company competes for talent.

Executive Compensation-Related Fees

The CGN Committee did not retain a compensation consultant or advisor at any time in the 2019 fiscal year.



Compensation Risk Review

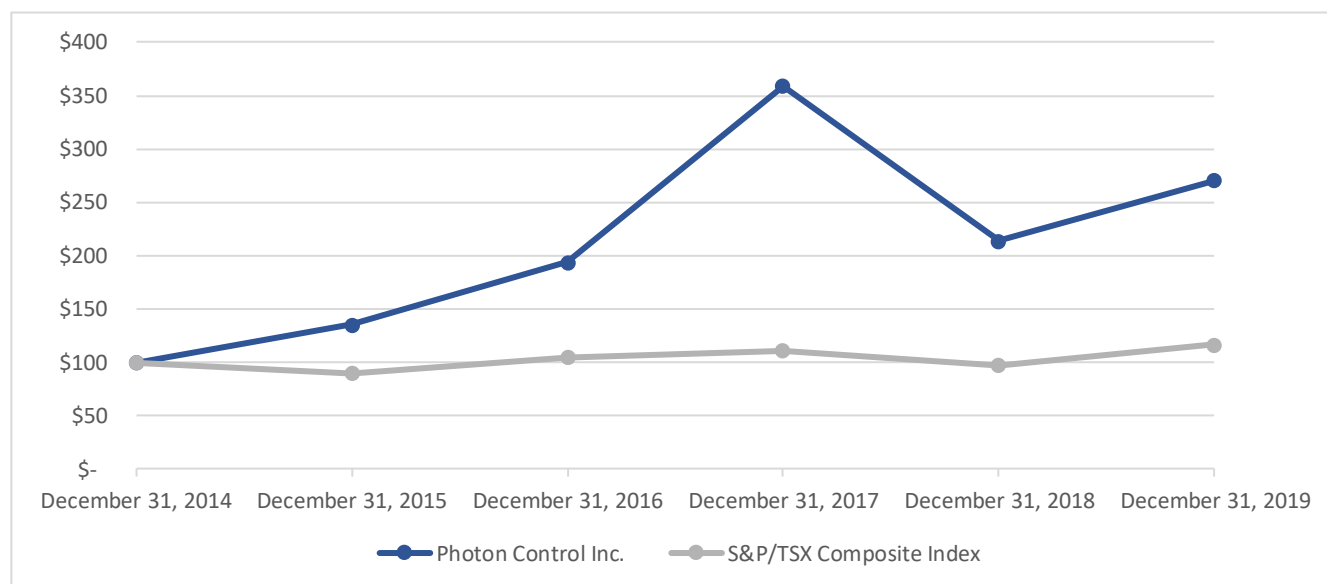
At this time, the Company does not use any specific practices to identify and mitigate compensation policies and practices that could encourage an NEO or individual at a principal business unit or division to take inappropriate or excessive risks.

Financial Instruments

NEOs and directors are not permitted to purchase financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Performance Graph

The following table and graph compare the cumulative total shareholder return on \$100 invested in Common Shares with \$100 invested in the S&P/TSX Composite Index from December 31, 2014 to December 31, 2019 (the Company's most recent financial year end), based on the closing price of the Common Shares on the last trading day of each year.



	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Photon Control Inc.	\$100	\$135	\$194	\$359	\$214	\$271
S&P/TSX Composite Index	\$100	\$90	\$104	\$111	\$97	\$117

Compensation of Named Executive Officers

As described above, the compensation for NEOs is influenced by a variety of factors including corporate and individual performance as well as the share price performance. The executive officers are compensated in large part based on their performance in meeting corporate targets, as well as general market compensation trends. In addition, a portion of the executive officers' overall compensation is comprised of option awards, and accordingly, overall executive officer compensation generally increases in periods where the Company's share price increases and decreases in periods where the Company's share price decreases.

Summary Compensation Table

The following table provides a summary of the total compensation earned during the years ended December 31, 2019, December 31, 2018 and December 31, 2017 for the each of the Company's NEOs.

Name and principal position	Year	Salary	Share-based awards ⁽¹⁾	Option-based awards ⁽²⁾	Non-equity incentive plan compensation		Pension value ⁽⁵⁾	All other compensation ⁽⁶⁾	Total compensation
					Annual incentive plans ⁽³⁾	Long-term incentive plans ⁽⁴⁾			
					(\$)	(\$)			
Nigel Hunton Director, President and CEO ⁽⁷⁾	2019	375,440	Nil	292,000	199,035	Nil	Nil	195,127	1,061,602
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Daniel Lee Former CFO ⁽⁸⁾	2019	204,750	Nil	Nil	1,000	Nil	Nil	2,145	207,895
	2018	189,000	Nil	Nil	86,231	Nil	Nil	3,817	279,048
	2017	125,539	Nil	133,849	108,014	Nil	Nil	2,167	369,569
John Rydstrom Former Senior VP, Sales ⁽⁹⁾	2019	135,007	Nil	Nil	45,428	Nil	Nil	23,273	203,708
	2018	233,226	Nil	Nil	188,292	Nil	Nil	28,891	450,409
	2017	78,316	Nil	127,138	86,357	Nil	Nil	5,394	297,205
Sal Akram Former Senior VP, Engineering ⁽¹⁰⁾	2019	267,488	Nil	30,660	Nil	Nil	Nil	39,230	337,379
	2018	128,212	Nil	141,600	28,667	Nil	Nil	11,939	310,418
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nalini McIntosh VP, Culture, Talent and Business Systems ⁽¹¹⁾	2019	195,000	Nil	Nil	1,000	Nil	Nil	1,962	197,962
	2018	172,576	Nil	33,604	39,166	Nil	Nil	1,869	247,214
	2017	70,731	Nil	26,484	29,980	Nil	Nil	660	127,854
D. Neil McDonnell Board Chair, and former Interim President & CEO ⁽¹²⁾	2019	195,000	Nil	Nil	Nil	Nil	Nil	Nil	195,000
	2018	32,500	Nil	Nil	Nil	Nil	Nil	Nil	32,500
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) Share-based awards represent the fair value of RSUs granted in the year under the RSU Plan (as defined below). The fair value of the RSUs granted is calculated as the number of RSUs granted multiplied by the grant date fair market value.
- (2) Option-based awards represent the fair value of stock options granted in the year under the Option Plan. The fair value of options granted is calculated as the number of options granted multiplied by the grant date Black-Scholes value. Options may or may not ever be exercised. Whether granted options are exercised or not will be based primarily, but not singularly, on the Company's future stock price and whether the granted options become "in-the-money".
- (3) Non-equity annual incentive plan compensation relates to cash bonuses based on defined targets that were granted to NEOs for the respective fiscal years pursuant to the annual executive performance cash bonus plan of the Company. In the case of Mr. Rydstrom this also included commission payments.
- (4) The Company does not have a non-equity long-term incentive plan.
- (5) The Company does not have a pension or defined contribution plan.
- (6) "All other compensation" for each individual, except for Mr. McDonnell, includes reimbursement for health, medical and insurance benefits. "All other compensation" for Mr. Hunton includes share matching compensation of \$150,110 and consulting fees of \$17,078. "All other compensation" for Mr. Rydstrom includes a vehicle allowance of \$8,376 (2018 - \$15,548 and 2017 - \$5,394). "All other compensation" for Mr. Akram includes a living allowance of \$9,554 to cover incidental expenses incurred while working in Richmond, BC.



- (7) Mr. Hunton became a Director and the President & CEO of the Company on May 2, 2019. Mr. Hunton received nil in 2019 as compensation for his services as a director. Prior to these roles, Mr. Hunton provided consulting services to the Company pursuant to a consultant agreement dated April 22, 2019, as further disclosed in “All other compensation”.
- (8) Mr. Lee was CFO of the Company from July 15, 2017 to May 12, 2020, Corporate Secretary from December 2, 2018 to May 12, 2020 and VP, Finance of the Company from April 11, 2017 until July 15, 2017. Following his departure from the Company, Mr. Lee received a payment of \$157,500 in accordance with the termination provisions in his employment agreement.
- (9) Mr. Rydstrom was Senior VP, Sales of the Company from August 28, 2017 to July 12, 2019. Mr. Rydstrom’s non-equity incentive plan compensation included cash bonuses based on defined targets and commission for sales. Following his departure from the Company, Mr. Rydstrom received no severance in accordance with the termination provisions in his employment agreement.
- (10) Mr. Akram was Senior VP, Engineering from August 13, 2018 to October 11, 2019. Following his departure from the Company, Mr. Akram received no severance in accordance with the termination provisions in his employment agreement. Mr. Akram was not considered a “Named Executive Officer” or “NEO” (as such terms are defined in Form 51-102F6 – Statement of Executive Compensation) for the financial year ended December 31, 2018.
- (11) Ms. McIntosh became VP, Culture, Talent and Business Systems on April 1, 2019. Prior to this role, Ms. McIntosh held various positions with the Company as VP, Human Resources from April 1, 2018 to March 31, 2019; and Director of Human Resources from July 4, 2017 to March 31, 2018. Ms. McIntosh was not considered a “Named Executive Officer” or “NEO” (as such terms are defined in Form 51-102F6 – Statement of Executive Compensation) for the financial years ended December 31, 2018 and 2017.
- (12) Mr. McDonnell was Interim President and CEO from December 2, 2018 to May 1, 2019 and was paid for this service in 2018 and 2019 based on an annualized salary of \$390,000. He received no incentive plan or other compensation for his role as Interim President and CEO. Mr. McDonnell has been a director of the Company since November 2, 2016 and Chair of the Board since January 12, 2017, and his compensation for these services is listed in the “Compensation of Directors” section below.

Outstanding Option-Based Awards

The following table sets forth, for each NEO, all of the option-based awards outstanding on December 31, 2019.

Name	Option-based awards			
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options as at Dec. 31, 2019 ⁽¹⁾
	(#)	(\$)		(\$)
Nigel Hunton	500,000	1.26	2024/05/13	60,000
Daniel Lee ⁽²⁾	40,000	1.46	2022/05/31	Nil
	20,000	1.38	2022/08/21	Nil
	90,000	1.76	2022/12/14	Nil
John Rydstrom ⁽³⁾	N/A	N/A	N/A	N/A
Sal Akram ⁽⁴⁾	N/A	N/A	N/A	N/A
Nalini McIntosh	40,000	1.44	2022/06/15	Nil
	35,000	1.82	2023/03/19	Nil
D. Neil McDonnell ⁽⁵⁾	N/A	N/A	N/A	N/A

- (1) “Value of unexercised in-the-money options” is calculated by multiplying the difference between the closing price of the Common Shares on the TSX on December 31, 2019, which was \$1.38, and the option exercise price by the number of outstanding options. Where the difference is negative, the options are not “in-the-money” and no value is ascribed. These granted options may or may not ever be exercised. Whether granted options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted options become “in-the-money”.
- (2) Mr. Lee surrendered all of his unvested options upon his departure from the Company on May 12, 2020. Mr. Lee has 60 days from the date of his departure to exercise 103,333 vested options.
- (3) Mr. Rydstrom surrendered all of his options upon his departure from the Company on July 12, 2019.
- (4) Mr. Akram surrendered all of his options upon his departure from the Company on October 11, 2019.
- (5) Mr. McDonnell did not receive any option-based or share-based awards for his role as Interim President and CEO. Mr. McDonnell has received option-based awards and RSU-based awards for services as director which are listed in the “Compensation of Directors” section below.



Incentive Plan Awards – Value Vested or Earned During Fiscal 2019

The following table sets forth, for each NEO, the value vested for all outstanding option-based and share-based awards and the value earned for all non-equity incentive plan compensation during the year ended December 31, 2019.

Name	Option-based awards – Value vested during 2019 ⁽¹⁾	Share-based awards – Value vested during 2019	Non-equity incentive plan compensation – Value earned during 2019 ⁽²⁾
	(\$)	(\$)	(\$)
Nigel Hunton	Nil	N/A	199,035
Daniel Lee	Nil	N/A	1,000
John Rydstrom	Nil	N/A	45,428
Sal Akram	Nil	N/A	Nil
Nalini McIntosh	Nil	N/A	1,000
D. Neil McDonnell ⁽³⁾	Nil	N/A	Nil

- (1) “Option-based awards – Value vested” is calculated by multiplying the difference between the market price of the Common Shares on the vesting date and the exercise price of the options by the number of options. Where the difference is negative, the options are not “in-the-money” and no value is ascribed. These granted options may or may not ever be exercised. Whether granted options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted options become “in-the-money”.
- (2) Non-equity annual incentive plan compensation relates to cash bonuses based on defined targets that were granted to NEOs for the fiscal year pursuant to the annual executive performance cash bonus plan of the Company. In the case of Mr. Rydstrom, this also included commission.
- (3) Mr. McDonnell did not receive any option-based, share-based awards, or non-equity incentive plan compensation for his role as Interim President and CEO. The value vested for his option-based awards and RSU-based awards for services as Director are listed in the “Compensation of Directors” section below.

Pension Disclosure

The Company does not provide a pension or defined contribution plan to any director or NEO.

Employment Contracts with Named Executive Officers

The following are material terms of employment, consulting or management agreements or arrangements under which compensation was provided during the year ended December 31, 2019 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by the NEOs of the Company.

Nigel Hunton, Director, Chief Executive Officer & President

Mr. Hunton provides services as President, CEO and director of the Company pursuant to an employment agreement dated April 10, 2019 (the “Hunton Employment Agreement”).

Pursuant to the Hunton Employment Agreement, Mr. Hunton is currently entitled to: (i) a base salary in USD which is reviewed annually by the CGN Committee and the Board; (ii) participation in the Company’s stock option plan (as defined below); (iii) participation in the Company’s annual executive performance cash bonus plan, as may be amended from time to time, which has the potential to pay up to 50% of his annual base salary, subject to the achievement of certain quantitative and qualitative objectives that are mutually agreed with the Board on an annual basis; (iv) in the event of termination without cause, receive a lump sum payment equal to twelve months of base salary and variable compensation; (v) receive twelve months of his base salary and variable compensation upon termination, or occurrence of other events as described in the Hunton Employment Agreement, within a 30 day period of an occurrence of a Change of Control (as defined in the Hunton Employment Agreement); (vi) participation in the Company’s executive benefits plan; and (vii) reimbursement of his reasonable expenses in connection with the business of the Company.



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

The Hunton Employment Agreement contains non-solicitation and non-competition restrictive covenants.

Daniel Lee, Former Chief Financial Officer

Mr. Lee provided services as CFO of the Company pursuant to an employment agreement dated September 7, 2017, as amended (the "Lee Employment Agreement"). Mr. Lee departed from the Company on May 12, 2020.

Pursuant to the Lee Employment Agreement, Mr. Lee was entitled to: (i) a base salary which was reviewed annually by the CEO and CGN Committee; (ii) participation in the Company's stock option plan; (iii) participation in the Company's annual executive performance cash bonus plan, as may be amended from time to time, which had the potential to pay up to 50% of his annual base salary, subject to the achievement of certain quantitative and qualitative objectives that were mutually agreed with the CEO and the Board on an annual basis; (iv) in the event of termination without cause, receive a lump sum payment equal to six months of base salary and variable compensation; (v) receive six months of his base salary upon termination, or occurrence of other events as described in the Lee Employment Agreement, within a 12-month period of an occurrence of a Change of Control (as defined in the Lee Employment Agreement); (vi) participation in the Company's executive benefits plan; (vii) reimbursement of his reasonable expenses in connection with the business of the Company; and (viii) reimbursement of professional development fees.

Subject to CEO approval, Mr. Lee's annual performance bonus, if any, was to be paid in cash, less applicable source deductions, within a reasonable period after the end of the applicable fiscal year. The Lee Employment Agreement was for an indefinite term, unless the employment of Mr. Lee was terminated earlier in accordance with the provisions of the Lee Employment Agreement. Following his departure from the Company, Mr. Lee received a payment of \$157,500 in accordance with the termination provisions in his employment agreement.

The Lee Employment Agreement contains non-solicitation and non-competition restrictive covenants.

John Rydstrom, Former Senior Vice President, Sales

Mr. Rydstrom provided services as Senior Vice President, Sales of the Company pursuant to an employment agreement dated August 28, 2017, as amended (the "Rydstrom Employment Agreement"). Mr. Rydstrom departed from the Company on July 12, 2019.

Pursuant to the Rydstrom Employment Agreement, Mr. Rydstrom was entitled to: (i) a base salary in USD which is reviewed annually by the CEO and CGN Committee; (ii) participation in the Company's stock option plan; (iii) a sales incentive program paid out each quarter and subject to the achievement of certain quantitative and qualitative objectives that are mutually agreed with the CEO and the Board on an annual basis; (iv) in the event of termination without cause, receive a lump sum payment equal to six months of base salary and variable compensation; (v) receive six months of his base salary and variable compensation upon termination, or occurrence of other events as described in the Rydstrom Employment Agreement, within a 12-month period of an occurrence of a Change of Control (as defined in the Rydstrom Employment Agreement); (vi) participation in the Company's executive benefits plan; (vii) reimbursement of his reasonable expenses in connection with the business of the Company; and (viii) reimbursement of professional development fees.

The Rydstrom Employment Agreement was for an indefinite term, unless the employment of Mr. Rydstrom was terminated earlier in accordance with the provisions of the Rydstrom Employment Agreement. Following his departure from the Company, Mr. Rydstrom received no severance in accordance with the termination provisions in his employment agreement.



Sal Akram, Former Senior Vice President, Engineering

Mr. Akram provided services as Senior Vice President, Engineering of the Company pursuant to an employment agreement dated May 22, 2018, as amended (the “Akram Employment Agreement”). Mr. Akram departed from the Company on October 11, 2019.

Pursuant to the Akram Employment Agreement, Mr. Akram was entitled to: (i) a base salary in USD which is reviewed annually by the CEO and CGN Committee; (ii) participation in the Company’s stock option plan; (iii) participation in the Company’s annual executive cash bonus plan, as may be amended from time to time, which has the potential to pay up to 30% of his annual base salary, subject to the achievement of certain quantitative and qualitative objectives that are mutually agreed with the CEO and the Board on an annual basis; (iv) in the event of termination without cause, receive a lump sum payment equal to six months of base salary and variable compensation; (v) receive six months of his base salary upon termination, or occurrence of other events as described in the Akram Employment Agreement, within a 6-month period of an occurrence of a Change of Control (as defined in the Akram Employment Agreement); (vi) participation in the Company’s executive benefits plan; and (vii) reimbursement of his reasonable expenses in connection with the business of the Company.

Subject to CEO approval, Mr. Akram’s annual performance bonus, if any, was paid in cash, less applicable source deductions, within a reasonable period after the end of the applicable fiscal year. The Akram Employment Agreement was for an indefinite term, unless the employment of Mr. Akram was terminated earlier in accordance with the provisions of the Akram Employment Agreement. Following his departure from the Company, Mr. Akram received no severance in accordance with the termination provisions in his employment agreement.

Nalini McIntosh, Vice President, Culture, Talent and Business Systems

Ms. McIntosh provides services as Vice President, Culture, Talent and Business Systems of the Company since April 1, 2019 pursuant to an employment agreement dated May 11, 2017, as amended (the “McIntosh Employment Agreement”). Prior to this role, Ms. McIntosh held various positions with the Company as Vice President, Human Resources from April 1, 2018 to March 31, 2019; and Director of Human Resources of the Company from July 4, 2017 to March 31, 2018.

Pursuant to the McIntosh Employment Agreement, Ms. McIntosh is currently entitled to: (i) a base salary which is reviewed annually by the CEO and CGN Committee; (ii) participation in the Company’s stock option plan; (iii) participation in the Company’s annual executive cash bonus plan, as may be amended from time to time, which has the potential to pay up to 30% of her annual base salary, subject to the achievement of certain quantitative and qualitative objectives that are mutually agreed with the CEO and the Board on an annual basis; (iv) in the event of termination without cause, receive a lump sum payment equal to six months of base salary and variable compensation; (v) receive six months of base salary upon termination, or occurrence of other events as described in the McIntosh Employment Agreement, within a 6-month period of an occurrence of a Change of Control (as defined in the McIntosh Employment Agreement); (iv) participation in the Company’s executive benefits plan; and (v) reimbursement of his reasonable expenses in connection with the business of the Company.

Subject to CEO approval, Ms. McIntosh’s annual performance bonus, if any, will be paid in cash, less applicable source deductions, within a reasonable period after the end of the applicable fiscal year. The McIntosh Employment Agreement is for an indefinite term, unless the employment of Ms. McIntosh is terminated earlier in accordance with the provisions of the McIntosh Employment Agreement.

D. Neil McDonnell, Board Chair and former Interim President and CEO

Mr. McDonnell provided services as the Interim President and Chief Executive Officer of the Company pursuant to the Consulting Agreement dated December 2, 2018 (the “McDonnell Consulting Agreement”). He resigned on May 1, 2019



as Interim President and CEO and was contracted to provide Interim CEO transition services until June 30, 2019 (the “McDonnell Transition Services Agreement”).

Pursuant to the McDonnell Consulting Agreement, which was approved by the other independent directors, Mr. McDonnell was entitled to: (i) a consulting fee of \$390,000 per year prorated for the partial year; and (ii) reimbursement of his reasonable expenses in connection with the business of the Company. Pursuant to the McDonnell Transition Services Agreement, Mr. McDonnell was entitled to: (i) a consulting fee of \$32,500 per month; and (ii) reimbursement of his reasonable expenses in connection with the business of the Company.

The McDonnell Consulting Agreement and the McDonnell Transition Services Agreement contained non-solicitation and non-competition restrictive covenants and did not contain any change of control or termination without cause provisions.

Estimated Termination Without Cause Payments

The following table provides details regarding the estimated amounts payable from the Company to each of the currently employed NEOs in the event of termination without cause, assuming that such termination was effective on December 31, 2019.

Name	Severance Period	Termination Payment	Bonus	Option-based awards ⁽²⁾	Share-based awards	Total incremental payment
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Nigel Hunton	12	551,990 ⁽¹⁾	275,995 ⁽¹⁾	24,000	Nil	851,985
Nalini McIntosh	6	100,000	30,000	Nil	Nil	130,000

(1) The termination payment and bonus for Mr. Hunton are based on his annual base salary of \$425,000 U.S. Dollars and 50% of his annual base salary, respectively, multiplied by the December 31, 2019 foreign exchange rate of \$1.2988.

(2) Calculated by multiplying the difference between the closing price of the Common Shares on the TSX on December 31, 2019, which was \$1.38, and the option exercise price by the number of outstanding options. Where the difference is negative, the options are not “in-the-money” and no value is ascribed. These granted options may or may not ever be exercised. Whether granted options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted options become “in-the-money”.

Following his departure from the Company, Mr. Lee received a lump-sum payment of \$157,500. Following their departures from the Company, Mr. Rydstrom and Mr. Akram did not receive any severance payments in accordance with the termination provisions in their respective employment agreements.

Estimated Payment on Change of Control

The following table provides details regarding the estimated amounts payable from the Company to each of the currently employed NEOs in the event of change of control, assuming that they were terminated effective on December 31, 2019.

Name	Severance Period	Termination Payment	Bonus	Option-based awards ⁽²⁾	Share-based awards	Total incremental payment
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Nigel Hunton	12	551,990 ⁽¹⁾	275,995 ⁽¹⁾	60,000	Nil	851,985
Nalini McIntosh	6	100,000	Nil	Nil	Nil	100,000

(1) The termination payment and bonus for Mr. Hunton are based on his annual base salary of \$425,000 U.S. Dollars and 50% of his annual base salary, respectively, multiplied by the December 31, 2019 foreign exchange rate of \$1.2988.

(2) Calculated by multiplying the difference between the closing price of the Common Shares on the TSX on December 31, 2019, which was \$1.38, and the option exercise price by the number of outstanding options. Where the difference is negative, the options are not “in-the-money” and



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

Compensation of Directors

Summary Compensation Table

For the most recently completed fiscal year, each non-management director of the Company received total compensation for services provided to the Company in his or her capacity as director:

Name	Fees earned	Share-based awards ⁽¹⁾	Option-based awards ⁽²⁾	Non-equity incentive plan compensation	Pension value	All other compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Charles F. Cargile	26,000	Nil	14,600	Nil	Nil	Nil	40,600
Michele Klein	26,000	32,599 ⁽³⁾	26,280	Nil	Nil	Nil	84,879
D. Neil McDonnell ⁽⁴⁾	40,000	Nil	14,600	Nil	Nil	Nil	54,600
Ronan McGrath ⁽⁵⁾	29,000	Nil	14,600	Nil	Nil	Nil	43,600

- (1) The share-based awards amount is calculated by the number of RSUs granted multiplied by the grant date fair market value.
- (2) Option-based awards represent the fair value of stock options granted in the year under the Option Plan. The fair value of options granted is calculated as the number of options granted multiplied by the grant date Black-Scholes value.
- (3) As at December 31, 2017, the Company had issued 1,000,000 RSUs pursuant to the RSU Plan (being the maximum number of Common Shares reserved for issuance pursuant to RSUs granted under the RSU Plan), leaving nil Common Shares available for future issuance pursuant to RSUs granted under the RSU Plan. As a result, the Company agreed to reimburse Ms. Klein in the sum of \$32,599 for the acquisition of 26,000 Common Shares, which were purchased at market price. The cash payment made by the Company to Ms. Klein was made in lieu of any grants under the RSU Plan.
- (4) In addition to his director fees, Mr. McDonnell was paid \$195,000 in 2019 for his services as Interim President and CEO.
- (5) Mr. McGrath was Lead Director from December 2, 2018 to May 1, 2019 and in 2019 received no compensation for these services.

Outstanding Option-Based and Share-Based Awards

The following table sets forth, for each Director, all of the option-based and share-based grants and awards outstanding on December 31, 2019.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options as at Dec. 31, 2019 ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed ⁽²⁾
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Nigel Hunton	500,000	1.26	2024/05/13	60,000	Nil	N/A	N/A
Charles F. Cargile	270,000	1.46	2022/05/31	Nil	43,000	59,340	Nil
	25,000	1.26	2024/05/13	3,000			
Michele Klein	180,000	1.69	2022/11/13	Nil	Nil	N/A	N/A
	45,000	2.01	2023/05/14	Nil			

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options as at Dec. 31, 2019 ⁽¹⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed ⁽²⁾
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
	45,000	1.26	2024/05/13	5,400			
D. Neil McDonnell ⁽³⁾	270,000	0.71	2021/11/03	180,900	Nil	N/A	N/A
	25,000	1.26	2024/05/13	3,000			
Ronan McGrath	270,000	0.67	2021/07/21	191,700	Nil	N/A	N/A
	25,000	1.26	2024/05/13	3,000			

(1) Calculated by multiplying the difference between the closing price of the Common Shares on the TSX on December 31, 2019, which was \$1.38, and the option exercise price by the number of outstanding options. Where the difference is negative, the options are not "in-the-money" and no value is ascribed. These granted options may or may not ever be exercised. Whether granted options are exercised or not will be based primarily, but not singularly, on the Company's future stock price and whether the granted options become "in-the-money".

(2) Calculated by multiplying the closing price of the Common Shares on the TSX on December 31, 2019, which was \$1.38, and the number of RSUs.

(3) Mr. McDonnell did not receive any option-based and share-based awards for his role as Interim President and CEO. He holds option-based awards and RSU-based awards for services as Director which are listed above.

Incentive Plan Awards - Value Vested or Earned During Fiscal 2019

The following table sets forth, for each Director, the value vested for all outstanding option-based and share-based awards and the value earned for all non-equity incentive plan compensation during the year ended December 31, 2019.

Name	Option-based awards – Value vested during 2019 ⁽¹⁾	Share-based awards – Value vested during 2019 ⁽²⁾	Non-equity incentive plan compensation - Value earned during 2019
	(\$)	(\$)	(\$)
Nigel Hunton	Nil	N/A	Nil
Charles Cargile	Nil	52,460	Nil
Michele Klein	Nil	N/A	Nil
D. Neil McDonnell	Nil	46,870	Nil
Ronan McGrath	Nil	N/A	Nil

(1) Calculated by multiplying the difference between the market price of the Common Shares on the vesting date and the exercise price of the options by the number of options. Where the difference is negative, the options are not "in-the-money" and no value is ascribed. These granted options may or may not ever be exercised. Whether granted options are exercised or not will be based primarily, but not singularly, on the Company's future stock price and whether the granted options become "in-the-money".

(2) Calculated by multiplying the market price of the Common Shares on the vesting date by the number of RSUs.

Director Compensation Plan

In April 2017, the Company adopted a cash compensation plan to pay retainers to its independent directors according to the following table.



Position	Annual Retainer
Board Member	\$20,000
Additional Retainers	Annual Retainer
Board Chair	\$20,000
Audit Committee Chair	\$9,000
Other Committee Chairs	\$6,000

During the financial year ended December 31, 2019, except as otherwise disclosed in this circular, the Company paid no cash or other compensation to any non-executive director of the Company for the director’s services as a director or in any other capacity or under any other arrangement. The Company does not pay meeting fees. In addition, the Company has historically made equity grants to directors upon joining the Board, and from time to time thereafter.

Stock Option Plans and Other Incentive Plans

Stock Option Plan

The Company has a stock option plan from which it makes awards to employees, directors and consultants.

In 2018, the Company adopted a new fixed number stock option plan (the “Option Plan”), which was approved by the Board of Directors and the shareholders of the Company, pursuant to which up to 11,000,000 Common Shares may be reserved for issuance. The effective date of the Option Plan was May 25, 2018, the date on which the Common Shares were listed for trading on the TSX. Stock options issued under the previous stock option plan were exchanged for stock options with the same terms under the Option Plan. The Company did not record any additional expense as a result of the exchange.

Options may be granted to purchase Common Shares on terms that the Board of Directors may determine, subject to the limitations of the Company’s Option Plan and the requirements of applicable regulatory authorities. The Company’s Option Plan provides for equity participation in the Company by eligible directors, officers, employees and consultants through the acquisition of Common Shares pursuant to the grant of options to purchase Common Shares. The Board of Directors receives recommendations for option grants from the CGN Committee, which works with the CEO and the management team of the Company to determine option allocations to directors, officers and employees having regard to the potential optionee’s position in the Company, level of responsibility and previous option grants.

The Option Plan includes the following provisions:

Administration

The Option Plan is administered by a “Committee”, which means the Board or a committee of the Board appointed to administer the Option Plan.

Eligibility

Options may be granted to any “Eligible Person”, which means:

- (a) an employee (defined as an individual that is considered an employee of the Company or any of its subsidiaries under the Income Tax Act (Canada)) of the Company;
- (b) an officer of the Company;



- (c) a director of the Company; or
- (d) a consultant (defined as any other individual or company engaged under a written contract with the Company or any of its affiliates to provide consulting, technical, management or other services to the Company or affiliate, other than services provided in relation to a distribution, and who has a relationship with the Company or affiliate that enables the individual to be knowledgeable of the business and affairs of the Company or affiliate and who, in the reasonable opinion of the Company, will spend a significant amount of time and attention on the business and affairs of the Company or affiliate) of the Company.

To be an Eligible Person, individuals subject to US income taxation must provide services that relate directly to the Company or subsidiary (as “subsidiary” is defined in Section 1.409A-1(b)(5)(iii)(E) under the United States Treasury Regulations).

Common Shares Issuable under the Option Plan

The number of Common Shares reserved and authorized for issuance pursuant to options granted under the Option Plan is 10,789,000 Common Shares as of the record date of the Meeting (being approximately 10.3% of the issued and outstanding Common Shares at that date), which is calculated by subtracting from 11,000,000 Common Shares (being the maximum number of Common Shares issuable under the Option Plan) 211,000 Common Shares which have been issued pursuant to the exercise of options under the Option Plan. The maximum number of Common Shares (a) issued to insiders within any one year period and (b) issuable to insiders at any time, under the Option Plan, or when combined with all of the Company’s other security-based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares.

Common Shares that may be issued pursuant to the Option Plan (together with any Common Shares issuable under any other security-based compensation arrangement) to directors of the Company who are not full-time employees or consultants (“Outside Directors”) may not exceed (a) 1% of the issued and outstanding Common Shares from time to time, and (b) an equity award value of \$100,000 per year per Outside Director.

If any option expires, is cancelled or otherwise terminated for any reason without having been exercised in full, the number of Common Shares in respect of which such option was not exercised will again be available for issuance under the Option Plan.

The Option Plan does not provide for the transformation of options granted under the Option Plan into stock appreciation rights involving the issuance of securities from the treasury of the Company.

Exercise Price

The exercise price for options granted under the Option Plan will be determined by the Board or Committee and shall not be less than the closing price of the Common Shares on the Toronto Stock Exchange, or such other stock exchange that the Common Shares may be listed on, on the trading day prior to the date of grant.

Vesting of Options

Subject to compliance with the policies of the applicable stock exchange, the Board or Committee shall have complete discretion with respect to the terms of any vesting schedule.

Term of Options

An option shall be exercisable for such term as may be determined by the Board or Committee, subject to earlier termination in the event of death or the optionee’s cessation of services to the Company or to extension if the expiry date is within a trading blackout period imposed by the Company to that date which is 10 business days after the trading



blackout. Other than pursuant to any blackout period extensions of the expiry date of options as described above, in no event shall any options be exercisable for greater than 10 years from the date such options are granted.

Termination of Options

To the extent not earlier exercised or terminated in accordance with the Option Plan, an option will terminate at the earliest of:

- (a) the termination date set by the Board upon the grant of the Option, subject to extension in case of a blackout period, as further set out above under the subheading “*Term of Options*”;
- (b) where the optionee’s position as an employee, consultant, director or officer is terminated for just cause, the date of such termination;
- (c) where the optionee’s position as an employee, consultant, director or officer terminates for a reason other than (i) a change in the optionee’s position from one of the said categories to another category, or (ii) the optionee’s disability, death, or termination for just cause, 60 days after such date of termination and vesting of the optionee’s options shall cease on the date of termination; and
- (d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such option in violation of the Option Plan.

Transferability

Options granted under the Option Plan are non-transferable and non-assignable, except as specifically provided under the Option Plan in the event of the death or disability of an optionee.

Effect of Death, Disability or Retirement of Optionee

If the position of an optionee as a director, officer, employee or consultant of the Company or any of its affiliates, is terminated as a result of his or her death, any options held by such optionee shall pass to the person who is entitled to ownership of such options pursuant to a will or the applicable laws of descent and distribution upon death (a “Qualified Successor”), and shall be exercisable by the Qualified Successor for a period of one year following such death, provided that in no case shall the term of the option extend beyond its expiry date.

If the position of an optionee as a director, officer, employee or consultant of the Company or any of its affiliates, is terminated by reason of such optionee's disability, any option held by such optionee that could have been exercised immediately prior to such termination shall be exercisable by such optionee, or by his or her guardian, for a period of one year following the termination of such optionee, provided that in no case shall the term of the option extend beyond its expiry date.

If an optionee who has ceased to be employed by the Company or any of its affiliates by reason of such optionee's disability dies within 30 days after the termination of such employment, any option held by such optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such optionee, and shall be exercisable by the Qualified Successor for a period of one year following the death of such optionee, provided that in no case shall the term of the option extend beyond ten years from the date of grant.

Options held by a Qualified Successor or exercisable by a guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such options are subject.

Net Settlement

Pursuant to the Option Plan, in lieu of exercising an option by deliver of the exercise notice along with payment of the option price, optionees may, with the prior written approval of the Company (which may be granted or withheld in the



Company's sole discretion), elect to transfer and dispose of a specified number of vested options to the Company in exchange for a cash amount equal to the intrinsic value of such vested options less any or all sales commissions, bank transfer fees and tax withholding obligations, as applicable. Upon the net settlement of options (the "Disposed Options"), the Company shall arrange for the sale of such number of fully paid and non-assessable Common Shares ("X") equal to the number of Common Shares that may be acquired by the Disposed Options ("Y") multiplied by the quotient obtained by dividing the result of the closing price of the Common Shares on the Toronto Stock Exchange, or such other stock exchange that the Common Shares may be listed on, on the trading day prior to the date of exercise ("B") less the exercise price per Common Share ("A") by the closing price of the Common Shares on the Toronto Stock Exchange, or such other stock exchange that the Common Shares may be listed on, on the trading day prior to the date of exercise of one Common Share ("B"). Expressed as a formula, such number of Common Shares shall be computed as follows:

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

No fractional Common Shares shall be issuable upon the net settlement of options, with such Common Shares being rounded down to the nearest whole number.

Tax Withholding

Pursuant to the Option Plan, the Company may withhold from any amount payable to an optionee, whether under the Option Plan or otherwise, such amount as it reasonably believes is necessary to comply with applicable federal, provincial, local, or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options. The Company may also satisfy any liability for any such withholding obligations by requiring an optionee, as a condition to the exercise of any options or acquisitions of shares pursuant to the net settlement provisions, to make such arrangements as the Company may in its discretion determine so that the Company can satisfy the withholding obligations.

Adjustment

The Option Plan contains provisions for adjustments by the Board in the number of Common Shares subject to the Option Plan and issuable upon the exercise of options, and the exercise price thereof, in the event of any stock dividends, stock consolidations, subdivisions or reclassifications of shares, amalgamations, mergers, plans of arrangement, change of control (as defined in the Option Plan) transactions, or take-over bid transactions, such adjustments to be determined by the Board. The Board may accelerate the date of vesting of any unvested portion of an option, subject to prior acceptance by the applicable stock exchange.

Termination of, and Amendments to, the Option Plan

Subject to acceptance of the applicable stock exchange and regulatory authorities, and the policies and requirements thereof, the Board may terminate, suspend or amend the terms of the Option Plan or any option granted thereunder in any manner, without consent or approval from any optionee or shareholder of the Company, including, without limitation:

- (a) make any amendment of a typographical, grammatical, clerical or administrative nature or clarification correcting or rectifying any ambiguity, immaterial inconsistency, defective provision, mistake, or error or omission in the Option Plan;
- (b) change the provision relating to the manner of exercise of options, including changing or adding any form of financial assistance provided by the Company, or adding or amending provisions relating to a cashless exercise



of options providing for a full deduction of the underlying Common Shares from the maximum number reserved for issuance under this Plan;

- (c) change the terms, conditions and mechanics of grant, vesting, exercise and early expiry of options, provided that no such change may extend the term of options granted to insiders (except as provided in the termination provisions of the Option Plan, as further described under the subheading “Termination of Options”);
- (d) change the termination provisions, provided that the change does not permit the Company to grant an option with a term of more than 10 years or extend the term of an outstanding option granted to an insider (except as provided in the termination provisions of the Option Plan, as further described under the subheading “Termination of Options”);
- (e) change the class of participants eligible to participate under the Option Plan; and
- (f) make any addition to, deletion from or alteration of the provisions of the Option Plan or any option that are necessary to comply with applicable law or the requirements of any regulatory or governmental agency or applicable stock exchange and to avoid unanticipated consequences deemed by the Board to be inconsistent with the purpose of the Option Plan.

Notwithstanding the above, the Board must obtain shareholder approval for the following actions:

- (a) any amendment to the maximum number of Common Shares that may be reserved for issuance upon the exercise of options granted under the Option Plan;
- (b) any amendment to the exercise price of an outstanding option (other than pursuant to the adjustment provisions described under the subheading “Adjustments”);
- (c) any amendment that would extend the term of any option granted under the Option Plan (except as provided in the termination provisions of the Option Plan, as further described under the subheading “Termination of Options”);
- (d) any cancellation or re-issue of options;
- (e) any amendment that would permit options granted under the Option Plan to be transferable or assignable other than for normal estate settlement purposes; and
- (f) any amendment to the termination and amendment provision of the Option Plan, provided that the Board may amend the terms of the Option Plan to comply with the requirements of any regulatory or governmental agency or applicable stock exchange without obtaining the approval of the Company’s shareholders.

As at December 31, 2019, the Company had 3,396,250 options issued and outstanding (representing approximately 3.2% of the then issued and outstanding Common Shares), leaving 7,392,750 options available for future issue (representing approximately 7.1% of the then issued and outstanding Common Shares).

The following table sets out the annual burn rate for each of the last three fiscal years of the then prevailing stock option plan of the Company:

Fiscal Year	Annual Burn Rate (Options) ⁽¹⁾
2019	1.4%
2018	0.8%
2017	2.5%

- (1) Calculated based on the number of options granted under the then prevailing stock option plan during the applicable fiscal year divided by the weighted average number of Common Shares outstanding for the applicable fiscal year.



Restricted Share Unit Plan

The Company has a restricted share unit plan (referred to herein as the “RSU Plan”) which was adopted by the Board of Directors as of March 30, 2016 and approved by the shareholders of the Company on May 3, 2016.

The RSU Plan includes the following provisions:

- Pursuant to the RSU Plan, the Board may, from time to time, grant to eligible participants awards under the RSU Plan, with each award granted entitling an eligible participant to receive one RSU. Each RSU represents the right of an eligible participant to receive one Common Share. The purpose of the RSU Plan is to secure for the Company and its shareholders the benefits of incentives inherent in share ownership by the employees and directors of the Company and its affiliates who, in the judgment of the Board and the CGN Committee, will be largely responsible for the Company’s future growth and success. Eligible participants under the RSU Plan include directors, employees and service providers of the Company and any of its affiliates who participate in the RSU Plan voluntarily.
- The aggregate maximum number of Common Shares that may be issued pursuant to the RSU Plan is limited to 1,000,000 Common Shares. In addition, the aggregate number of Common Shares that may be reserved for issuance under the RSU Plan on the grant of awards, together with any other securities-based compensation arrangements of the Company in effect from time to time, shall not exceed 10% of the issued and outstanding Common Shares from time to time.
- The aggregate number of RSUs granted to any one participant in the RSU Plan in a 12-month period must not exceed 1% of the outstanding Common Shares, calculated on the date RSUs are granted to the participant. The aggregate number of RSUs granted to all participants in the RSU Plan in a 12-month period must not exceed 2% of the outstanding Common Shares, calculated on each date RSUs are granted to a participant. The aggregate number of RSUs granted to any one participant in the RSU Plan (when combined with grants of stock incentives to the participant under all of the Company’s other security-based compensation arrangements) within a 12-month period shall not exceed 5% of the outstanding Common Shares, calculated on the date RSUs are granted to the participant. The aggregate number of Common Shares at any time reserved for issuance to any participant in the RSU Plan under all securities-based compensation arrangements of the Company shall not exceed 5% of the outstanding Common Shares from time to time.
- The aggregate number of Common Shares reserved for issuance under RSUs granted to insiders of the Company (as a group) under the RSU Plan at any point in time (when combined with grants of stock incentives to insiders (as a group) under all of the Company’s other security-based compensation arrangements) shall not exceed 10% of the outstanding Common Shares at that point in time. The aggregate number of RSUs granted to insiders of the Company (as a group) (when combined with grants of stock incentives under all of the Company’s other security-based compensation arrangements), within a 12-month period, shall not exceed 10% of the outstanding Common Shares, calculated at the date RSUs are granted to any insider of the Company.
- The Board, or if authority is delegated to the CGN Committee, that committee, may at any time authorize the grant of awards to such eligible participants as it may select for the number of awards that it shall designate subject to the provisions of the RSU Plan. Each grant of an award shall specify the performance period and may (but is not required to) specify performance conditions attaching to it, with such conditions to be set by the Board or the CGN Committee. Performance conditions are additional conditions that may be imposed on an award that are required to be satisfied or discharged before an award shall vest. The expiry date of an award shall not be more than three years from the date of grant of an award.
- Except as otherwise provided in the RSU Plan or unless otherwise determined by the Board or the CGN Committee at the time of the grant of the award and subject to satisfaction of any performance conditions



which may be attached to the award during the relevant performance period, awards shall vest in one-third increments, commencing on the one year anniversary of the date of grant and on each of the two anniversaries thereafter.

- If an eligible participant ceases to be employed by, or act as, a director of the Company or its affiliates for any reason (including death, termination for cause, termination without cause, resignation, or retirement): (i) any unvested awards held by such eligible participant at the date the eligible participant ceases to be an employee or director of the Company or its affiliates shall be terminated as of such date; and (ii) any vested awards held by such eligible participant at the date the eligible participant ceases to be an employee or director of the Company or its affiliates and which has not yet been settled, shall be settled within 30 days of such date. If an award has performance conditions attached to it which remain unsatisfied at the date an eligible participant ceases to be an employee or director of the Company or its affiliates, then such award shall be deemed to not have vested.
- Any awards or RSUs accruing to any eligible participant shall not be transferable except by will or by the laws of descent and distribution. All benefits and rights granted under the RSU Plan may only be exercised by the eligible participant during the participant's lifetime.
- The Board may amend the terms of the RSU Plan without shareholder approval, including for the purposes of: changes of a clerical or grammatical nature; changes regarding the persons eligible to participate in the RSU Plan; changes to the vesting, provisions of awards, performance conditions or performance period; changes to the authority and role of the CGN Committee under the RSU Plan; changes to the acceleration and vesting of awards in the event of a takeover bid or change of control; and any other matter relating to the RSU Plan and the awards granted thereunder. The CGN Committee also has the power to amend the terms of the RSU Plan without shareholder approval, for the purposes of: changes of a clerical or grammatical nature; changes regarding the persons eligible to participate in the RSU Plan; and changes to the vesting, provisions of awards, performance conditions or performance period. Notwithstanding the foregoing, the powers of the Board and the CGN Committee shall be limited in those circumstances set forth in the RSU Plan as requiring shareholder approval and as required by applicable securities regulatory authorities or the stock exchange on which the securities of the Company are listed. Shareholder approval is required for: any amendment to the aggregate maximum number of Common Shares issuable under the RSU Plan; any amendment to the aggregate percentage of Common Shares that may be reserved for issuance under the RSU Plan or issued to insiders under the RSU Plan; any amendment which would accelerate the vesting of any awards held by insiders, except as contemplated under the RSU Plan; and any amendment provision under the RSU Plan.
- If the RSU Plan is terminated, its provisions and any other guidelines, rules and regulations adopted by the Board or the CGN Committee in respect of it will continue in effect as long as any awards or rights thereto remain outstanding.

As at December 31, 2019, the Company had issued 1,000,000 RSUs pursuant to the RSU Plan, of which 43,000 RSUs remained outstanding (representing 0.0% of the then issued and outstanding Common Shares), leaving nil RSUs available for future issue.



The following table sets out the annual burn rate of the RSU Plan for each of the last three fiscal years:

Fiscal Year	Annual Burn Rate (RSUs) ⁽¹⁾
2019	0.0%
2018	0.1%
2017	0.2%

(1) Calculated based on the number of RSUs granted under the RSU Plan during the applicable fiscal year divided by the weighted average number of Common Shares outstanding for the applicable fiscal year.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets out information on the Company's equity compensation plans under which Common Shares are authorized for issuance as at December 31, 2019.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	3,396,250 (options)	\$1.27	7,392,750 ⁽¹⁾
	43,000 (RSUs)	N/A	Nil ⁽²⁾
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	3,439,250		7,392,750

(1) As at December 31, 2019, the total number of Common Shares that could be reserved and authorized for issuance pursuant to options granted under the Option Plan was 10,789,000 Common Shares, being 10.3% of the then issued and outstanding Common Shares (i.e. 104,513,571 Common Shares).

(2) As at December 31, 2019, the Company had issued 1,000,000 RSUs pursuant to the RSU Plan (being the maximum number of Common Shares reserved for issuance pursuant to RSUs granted under the RSU Plan), leaving nil Common Shares available for future issuance pursuant to RSUs granted under the RSU Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, no director or executive officer of the Company, no proposed nominee for election as a director of the Company, no associate of any such director, executive officer or proposed nominee (including companies controlled by them), no employee of the Company or any of its subsidiaries, and no former executive officer, director or employee of the Company or any of its subsidiaries, is indebted to the Company or any of its subsidiaries (other than for "routine indebtedness" as defined under applicable securities legislation) or is indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.



Interest of Informed Persons in Material Transactions

Except as otherwise disclosed below and in this Information Circular or as disclosed in a previous information circular of the Company, no informed person (i.e. insider) of the Company, no proposed director of the Company, and no associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction since January 1, 2019 or in any proposed transaction which has materially affected or would materially affect the Company.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

MANAGEMENT CONTRACTS

No management functions of the Company are to any substantial degree performed by a person other than the directors or executive officers of the Company directly or through their respective management consulting companies.

Normal Course Issuer Bid

On January 3, 2020 the Company's normal course issuer bid ("NCIB") for up to 5,490,000 Common Shares expired and as at the date of this Information Circular, the Company no longer has an active normal course issuer bid. Pursuant to the terms of the NCIB, the Company acquired 5,490,000 Common Shares, effected through the facilities of the Toronto Stock Exchange (the "TSX"). Daily purchases under the NCIB were limited to a maximum of 69,232 Common Shares, being 25% of the average daily trading volume over the prior six months, other than purchases made in compliance with the provisions of the block purchase exemption of the TSX rules. All Common Shares acquired by the Company under the NCIB were purchased at market price and were cancelled following purchase.

At the time, the Company conducted the NCIB because it believed that the underlying value of the Company was not reflected in the market price of the Common Shares. Accordingly, the Company concluded that the repurchase of Common Shares pursuant to the NCIB constituted an appropriate use of the Company's financial resources and would be in the best interest of the Company's shareholders.

Paradigm Capital Inc. ("Paradigm") acted as the broker firm responsible for making purchases of Common Shares under the NCIB on behalf of the Company, pursuant to an automatic purchase plan agreement (the "APP Agreement"). Purchases under the APP Agreement were determined by Paradigm in its sole discretion, without consultation with the Company, subject to the limitations of the APP Agreement and the rules of the TSX.



APPOINTMENT OF AUDITOR

Shareholders will be asked to approve the re-appointment of KPMG LLP as the Company's auditor to hold office until the next annual general meeting of shareholders at remuneration to be fixed by the directors.

KPMG LLP have served as the Company's auditor since April 5, 2018.

We recommend a vote "FOR" the re-appointment of KPMG LLP as our auditor to hold office until the next annual general meeting of shareholders, at remuneration to be fixed by the directors.

In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of Proxy intend to vote "FOR" the re-appointment of KPMG LLP at remuneration to be fixed by the directors.

OTHER MATTERS

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of the Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy Form to vote the shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Financial information relating to the Company is provided in the Company's comparative financial statements and management's discussion and analysis for its financial year ended December 31, 2019 which are available on SEDAR and may also be obtained by sending a written request to the CFO of the Company at the Company's head office located at Suite 130, 13500 Verdun Place, Richmond, British Columbia V6V 1V2.

DATED as of the 15th day of May, 2020.

BY ORDER OF THE BOARD

"Nigel Hunton"

NIGEL HUNTON

Director, Chief Executive Officer & President



Appendix A

PHOTON CONTROL INC.

Board of Directors Mandate

As of April 5, 2018

1. Purpose

The members of the Board of Directors (the “**Board**”) have the duty to supervise the management of the business and affairs of Photon Control Inc. (the “**Company**”). The Board, directly and through its committees and the chair of the Board (the “**Chair**”), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company.

2. Duties and Responsibilities

The Board shall have the specific duties and responsibilities outlined below.

Strategic Planning

(a) Strategic Plans

The Board has adopted a strategic plan for the Company. At least annually, the Board shall review and, if advisable, approve the Company’s strategic planning process and the Company’s annual strategic plan. In discharging this responsibility, the Board shall review the plan in light of management’s assessment of emerging trends, the competitive environment, the opportunities for the business of the Company, risk issues, and significant business practices and products.

(b) Business and Capital Plans

At least annually, the Board shall review and, if advisable, approve the Company’s annual business and capital plans as well as policies and processes generated by management relating to the authorization of major investments and significant allocation of capital.

(c) Monitoring

At least annually, the Board shall review management’s implementation of the Company’s strategic, business and capital plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.

Risk Management

(d) General

At least annually, the Board shall review reports provided by management of principal risks associated with the Company’s business and operations, review the implementation by management of appropriate systems to manage these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

(e) Verification of Controls

The Board shall verify that internal, financial, non-financial and business control and management information systems have been established by management.



Human Resource Management

(f) General

At least annually, the Board shall review a report of the Compensation Committee concerning the Company's approach to human resource management and executive compensation.

(g) Succession Review

At least annually, the Board shall review the succession plans of the Company for the Chair, the Lead Director, the Chief Executive Officer and other executive officers, including the appointment, training and monitoring of such persons.

(h) Integrity of Senior Management

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and other executive officers of the Company and that the Chief Executive Officer and other senior officers strive to create a culture of integrity throughout the Company.

Corporate Governance

(i) General

At least annually, the Board shall review a report of the Corporate Governance and Nominating Committee concerning the Company's approach to corporate governance.

(j) Director Independence

At least annually, the Board shall review a report of the Corporate Governance and Nominating Committee that evaluates the director independence standards established by the Board and the Board's ability to act independently from management in fulfilling its duties.

(k) Ethics Reporting

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") applicable to directors, officers and employees of the Company. At least annually, the Board shall review the report of the Corporate Governance and Nominating Committee relating to compliance with, or material deficiencies from, the Code and approve changes it considers appropriate. The Board shall review reports from the Corporate Governance and Nominating Committee concerning investigations and any resolutions of complaints received under the Code.

(l) Board of Directors Mandate Review

At least annually, the Board shall review and assess the adequacy of its Mandate to ensure compliance with any rules of regulations promulgated by any regulatory body and approve any modifications to this Mandate as considered advisable.

Communications

(m) General

The Board has adopted a Disclosure Policy for the Company. At least annually, the Board, in conjunction with the Chief Executive Officer, shall review the Company's overall Disclosure Policy, including measures for receiving feedback from the Company's stakeholders, and management's compliance with such policy. The Board shall, if advisable, approve material changes to the Company's Disclosure Policy.

(n) Shareholders

The Company endeavors to keep its shareholders informed of its progress through an annual report, annual information form, quarterly interim reports and periodic press releases. Directors and management meet with the Company's shareholders at the annual meeting and are available to respond to questions at that time.

3. Composition

General

The composition and organization of the Board, including: the number, qualifications and remuneration of directors; the number of Board meetings; quorum requirements; meeting procedures and notices of meetings are required by the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), the *Securities Act* (British Columbia) (the "**Act**") and the articles of the Company, subject to any exemptions or relief that may be granted from such requirements.

Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Corporate Governance and Nominating Committee.

Independence

A majority of the Board must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Policy 58-201 *Corporate Governance Guidelines*, as may be amended from time to time.

Chair of the Board

The Chair of the Board shall be an independent director, unless the Board determines that it is inappropriate to require the Chair to be independent. If the Board determines that it would be inappropriate to require the Chair of the Board to be independent, then the independent directors shall select from among their number a director who will act as "Lead Director" and who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board. The Chair, if independent, or the Lead Director if the Chair is not independent, shall act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

4. Committees of the Board

The Board has established the following committees: the Compensation Committee, the Audit Committee and the Corporate Governance and Nominating Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.

Committee Mandates

The Board has approved mandates for each Board committee and shall approve mandates for each new Board committee. At least annually, each mandate shall be reviewed by the Corporate Governance and Nominating Committee and any suggested amendments brought to the Board for consideration and approval.

Delegation to Committees

The Board has delegated to the applicable committee those duties and responsibilities set out in each Board committee's mandate.



Consideration of Committee Recommendations

As required by applicable law, by applicable committee Mandate or as the Board may consider advisable, the Board shall consider for approval the specific matters delegated for review to Board committees.

Board/Committee Communication

To facilitate communication between the Board and each Board committee, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting after the committee's meeting.

5. Meetings

The Board will meet at least once in each quarter, with additional meeting held as deemed advisable. The Chair is primarily responsible for the agenda and for supervising the conduct of the meeting. Any director may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any Board meeting raise subjects that are not on the agenda for that meeting.

Meetings of the Board shall be conducted in accordance with the Company's articles.

Secretary and Minutes

The Corporate Secretary, his or her designate or any other person the Board requests shall act as secretary of Board meetings. Minutes of Board meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.

Meetings Without Management

The independent members of the Board shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-independent directors and members of management are not present.

Directors' Responsibilities

Each director is expected to attend all meetings of the Board and any committee of which he or she is a member. Directors will be expected to have read and considered the materials sent to them in advance of each meeting and to actively participate in the meetings.

Access to Management and Outside Advisors

The Board shall have unrestricted access to management and employees of the Company. The Board shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective reasonable compensation of these advisors without consulting or obtaining the approval of any officer of the Company. The Company shall provide appropriate funding, as determined by the Board, for the services of these advisors.

Service on Other Boards and Audit Committee

Directors may serve on the boards of other public companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public company.

6. Management

Position Descriptions for Directors

The Board has approved position descriptions for the Chair, the Lead Director and the chair of each Board committee. At least annually, the Board shall review such position descriptions.



Position Description for CEO

The Board has approved a position description for the Chief Executive Officer, which includes delineating management's responsibilities. The Board has also approved the corporate goals and objectives that the Chief Executive Officer has responsibility for meeting. At least annually, the Board shall review a report of the Compensation Committee reviewing this position description and such corporate goals and objectives.

7. Director development and evaluation

Each new director shall participate in the Company's initial orientation program and each director shall participate in the Company's continuing director development programs. At least annually, the Board shall review the Company's initial orientation program and continuing director development programs.

8. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

Adopted: April 5, 2018