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

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**D-BOX TECHNOLOGIES INC.**

August 3, 2020

## D-BOX TECHNOLOGIES INC.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that, due to concerns regarding the coronavirus outbreak (“**COVID-19**”) and to assist in protecting the health and well-being of our shareholders, employees and directors, an Annual and Special Meeting of Shareholders (the “**Meeting**”) of D-BOX Technologies Inc. (the “**Corporation**”) will be held in a virtual format to provide a consistent experience to all shareholders regardless of location on September 16, 2020 at 10:00 a.m. for the following purposes:

1. To receive and consider the consolidated financial statements of the Corporation for the fiscal year ended March 31, 2020 and the auditors’ report thereon;
2. To elect directors;
3. To appoint Ernst & Young LLP as auditors of the Corporation and authorize the directors to fix their remuneration;
4. To consider, and if deemed advisable, adopt a special resolution in the form annexed as Schedule A to the accompanying management proxy circular (the “**Circular**”), authorizing an amendment to the Articles of the Corporation so as to, if deemed advisable by the Board of Directors of the Corporation, consolidate, no later than twelve months from the date of the Meeting, the issued and outstanding Class A common shares of the Corporation on the basis of one Class A common share for a maximum of every ten Class A common shares issued and outstanding; and
5. To transact such other business as may properly be brought before the Meeting.

It is important that your shares be represented at the Meeting. Please note that the Meeting will be held in a virtual, audio only, online format conducted by live webcast at <https://web.lumiagn.com/212651283/>. The Corporation intends to utilize a virtual meeting for the 2020 Meeting in light of the COVID-19 pandemic, and will consider whether to revert to a physical in person meeting for future shareholder meetings as circumstances permit.

Only persons registered as shareholders on the records of the Corporation as of the close of business on July 27, 2020 (the “**Record Date**”) are entitled to receive notice of, and to vote or act at, the Meeting. No person who becomes a shareholder after the Record Date will be entitled to vote or act at the Meeting or any adjournment thereof.

Shareholders will not be able to attend the Meeting in person but will have an opportunity to participate at the Meeting online regardless of their geographic location. Registered shareholders and duly appointed proxyholders who participate in the Meeting online will have the opportunity to participate in the question and answer session and vote at the Meeting, provided that they follow the instructions in the accompanying Circular and remain connected to the internet at all times during the Meeting. Non-registered (beneficial) shareholders who do not appoint themselves as their proxyholder in accordance with the instructions in this Circular and provided by their intermediary, will be able to participate as guests at the Meeting but will not be able to vote. Guests will be able to listen to the proceedings of the Meeting but cannot vote. Shareholders that usually vote by proxy ahead of the Meeting will be able to do so in the same manner as previous shareholder meetings. The Circular of the Corporation accompanying this Notice contains important instructions and details on how to participate at the Meeting and vote your Class A common shares by proxy or online during the Meeting. The specific details of the matters proposed to be put before the Meeting are also set forth in the Circular.

**EVEN IF YOU PLAN TO PARTICIPATE IN THE MEETING ONLINE, PLEASE SUBMIT YOUR PROXY BY INTERNET, PHONE OR MAIL AS SOON AS POSSIBLE.** If you later choose to revoke your proxy or change your vote, you may do so by following the procedures described in the Circular.

DATED at Longueuil, Québec  
August 3, 2020

BY ORDER OF THE BOARD OF DIRECTORS

*(signed) Jean-René Halde*

Jean-René Halde  
Chair of the Board of Directors

## D-BOX TECHNOLOGIES INC.

### MANAGEMENT PROXY CIRCULAR

#### SOLICITATION OF PROXIES BY MANAGEMENT

**This Management Proxy Circular (the “Circular”)** is furnished in connection with the solicitation by the management of D-BOX Technologies Inc. (the “Corporation”) of proxies to be used at the annual and special meeting of shareholders (the “Meeting”) of the Corporation to be held at the time and place and for the purposes set forth in the **Notice of Meeting**. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Corporation may also solicit proxies by telephone, telecopier, e-mail or in person. The total cost of solicitation of proxies will be borne by the Corporation. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to certain beneficial owners of the shares. See “Appointment and Revocation of Proxies – Notice to Beneficial Shareholders” below.

#### INTERNET AVAILABILITY OF PROXY-RELATED MATERIALS

##### Notice-and-Access

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

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

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

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

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

##### Notice Package

Although the Proxy-Related Materials have been posted on-line as noted above, Beneficial Shareholders will receive paper copies of a notice package (“**Notice Package**”) via prepaid mail containing information prescribed by NI 54-101 such as: the date, time and location of the Meeting, the website addresses where the Proxy-Related Materials are posted, a VIF, and supplemental mail list return card for Beneficial Shareholders to request they be included in the Corporation’s supplementary mailing list for receipt of the Corporation’s interim financial statements for the 2021 fiscal year.

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

Beneficial Shareholders may obtain paper copies of this Circular free of charge by contacting: (i) for Beneficial Shareholders with a 15-digit Control Number: Computershare Investor Services Inc. toll free at 1-866-962-0498 (within North America) or 514-982-8716 (outside North America); or (ii) for Beneficial Shareholders with a 16-digit Control Number: Broadridge Financial Solutions, Inc. toll free at 1-877-907-7643. Any request for paper copies which are required in advance of the Meeting should be sent so that the request is received by the Corporation by August 31, 2020 in order to allow sufficient time for Beneficial Shareholders to receive their paper copies and to return their VIF by its due date.

## APPOINTMENT AND REVOCATION OF PROXIES

### Appointment of Proxy

In addition to voting (in person or online) at the Meeting, a Registered Shareholder may vote by mail by completing and signing the enclosed form of proxy and by delivering it to Computershare Investor Services Inc. (i) by mail or hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, or (ii) by facsimile to 416-263-9524 or 1-866-249-7775. A Registered Shareholder may also vote using the internet at [www.investorvote.com](http://www.investorvote.com) or by telephone at 1-866-732-8683. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 10:00 a.m. (eastern time) on September 14, 2020 or be deposited with the Corporate Secretary of the Corporation before the commencement of the Meeting or any adjournment thereof. **In addition to the foregoing, a Registered Shareholder appointing himself, herself or a third party to represent him or her at the Meeting must also register such proxyholder in accordance with the procedures described in section “Virtual Meeting - Registration of Proxyholders” below.**

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

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

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

### Revocation of Proxy

A Registered Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a Registered Shareholder who has given a proxy personally participates in the Meeting online at which that proxy is to be voted, that Registered Shareholder may revoke the proxy and vote online at the Meeting. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Registered Shareholder or his attorney or authorized agent and deposited with (i) Computershare Investor Services Inc. at any time up to 10:00 a.m. (eastern time) on September 14, 2020 by mail or by hand delivery to Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, or by facsimile to 416-263-9524 or 1-866-249-7775, (ii) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or (iii) with the Corporate Secretary of the Corporation before the commencement of the Meeting, or any adjournment thereof, and upon any such deposit, the proxy will be revoked.

### Notice to Beneficial Shareholders

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

There are two categories of Beneficial Shareholders for the purposes of applicable securities regulatory policy in relation to the mechanism of dissemination to Beneficial Shareholders of proxy-related materials and other securityholder materials and

the request for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners (“**NOBOs**”) are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation. Objecting beneficial owners (“**OBOs**”) are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation.

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

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

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

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

## VIRTUAL MEETING

The Corporation is holding the Meeting in a virtual-only format, which will be conducted in an audio only, online format through live webcast. Shareholders will not be able to attend the Meeting in person. Participating in the Meeting online enables registered shareholders and duly appointed proxyholders, including non-registered (beneficial) shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting and ask questions, all in real time. If you are a registered shareholder or a duly appointed proxyholder, you can vote at the appropriate times during 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. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting (the Corporation recommends that you log in at least thirty minutes before the Meeting starts) and complete the related procedure described below.

Registered shareholders and duly appointed proxyholders can participate in the Meeting by logging in online at <https://web.lumiagm.com/212651283/> and 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 email notification you received is your username and the password is “dbox2020” (case sensitive).
- **Duly appointed proxyholders:** Computershare will provide the proxyholder with a username after the voting deadline has passed. The password is dbox2020” (case sensitive).

### **Registration of Proxyholders**

Beneficial Shareholders who wish to appoint a third party proxyholder to represent them at the online meeting must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Beneficial Shareholder has submitted his or her proxy or voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. To register a proxyholder, Beneficial Shareholders MUST visit <https://www.computershare.com/DBOX by 10:00> a.m. (eastern time) on September 14, 2020 and provide Computershare Investor Services Inc. with their proxyholder’s contact information, so that Computershare Investor Services Inc. may provide the proxyholder with a Username via email.

Guests, including non-registered Beneficial Shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting at <https://web.lumiagm.com/212651283/> and click “I am a guest” and complete the online form. Guests can listen to the Meeting but are not able to participate or vote at the Meeting.

### **United States Beneficial Shareholders:**

To attend and vote at the virtual Meeting, Beneficial Shareholders in the United States must first obtain a valid legal proxy from his or her broker, bank or other agent and then register in advance to attend the Meeting. Beneficial Shareholders must follow the instructions from his or her broker or bank included with the Notice Package and Proxy-Related Materials, or contact his or her broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from a broker, bank or other agent, to then register to attend the Meeting, Beneficial Shareholders must submit a copy of their legal proxy to Computershare Investor Services Inc. Requests for registration should be directed to:

Computershare Investor Services Inc.  
“Legal Proxy”  
100 University Avenue  
8<sup>th</sup> Floor  
Toronto, Ontario  
M5J 2Y1  
OR  
Email at: [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com)

Requests for registration must be labeled as “Legal Proxy” and be received no later than September 14, 2020 10:00 a.m. (eastern time). Beneficial Shareholders will receive a confirmation of his or her registration by e-mail after Computershare Investor Services Inc. has received the registration materials referred to above. Beneficial Shareholders following the foregoing procedures may attend the Meeting and vote their shares at [https://web.lumiagm.com/212651283](https://web.lumiagm.com/212651283/) during the Meeting. Please note that Beneficial Shareholders are required to register their appointment at [www.computershare.com/DBOX](http://www.computershare.com/DBOX).

## EXERCISE OF DISCRETION BY PROXIES

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

## VOTING SHARES

As at August 3, 2020, there were 175,950,573 issued and outstanding Class A common shares of the Corporation. There are no other issued and outstanding shares. Each Class A common share entitles the holder thereof to one vote. The Corporation has fixed July 27, 2020 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive notice of the Meeting. Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten days after the Record Date, an alphabetical list of shareholders entitled to vote as of the Record Date that shows the number of shares held by each shareholder. A shareholder of record on the Record Date will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, even though the shareholder may subsequently dispose of his or her shares. No shareholder who has become a shareholder after the Record Date will be entitled to attend or vote at the Meeting or any adjournment(s) thereof.

## PRINCIPAL SHAREHOLDERS

As at August 3, 2020, to the best knowledge of the Corporation, the following are the only persons who beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the Class A common shares of the Corporation:

<u>Name and municipality of residence</u>	<u>Number of Class A common shares held</u>	<u>Percentage</u>
Fidelity Management & Research Company..... Boston, Massachusetts	26,390,000 <sup>(1)</sup>	15%
Caisse de dépôt et placement du Québec..... Montreal, Québec	19,108,882 <sup>(2)</sup>	11%

(1) This information was provided by Fidelity International on July 27, 2020 and cannot be independently verified by the Corporation.

(2) The information is taken from the SEDI website at [www.sedi.ca](http://www.sedi.ca) as of August 3, 2020. This information is generated from insider reports filed on SEDI by such person and is not within the direct knowledge of the Corporation.

## ELECTION OF DIRECTORS

The Board of Directors currently consists of seven members. Jean-René Halde, the current Chair of the Board of Directors, has advised the Corporation that he will not seek re-election as a director of the Corporation at the Meeting. The next Chair of the Board of Directors will be appointed among the independent directors to be elected at the Meeting. Unless otherwise specified, the persons named in the enclosed form of proxy intend to vote for the election of the six nominees whose names are set out below. Each director will hold office until the next annual meeting of shareholders or until the election of his or her successor, unless the director resigns or his or her office becomes vacant by removal, death or any other cause.

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



<u>Name, municipality of residence and position with the Corporation</u>	<u>Principal occupation</u>	<u>First year as director</u>	<u>Number of shares beneficially owned or over which control is exercised as at August 3, 2020</u>
Sébastien Mailhot..... Boucherville, Québec, Canada President, Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation	2020	1,419,215
Louis P. Bernier <sup>(1)</sup> ..... Ville Mont-Royal, Québec, Canada Director	Partner Fasken Martineau DuMoulin LLP (law firm)	2014	300,000
Brigitte Bourque <sup>(1)</sup> ..... Montreal, Québec, Canada Director	Executive Coach Groupe Pauzé (consulting company)	2019	—
Denis Chamberland <sup>(1)</sup> ..... Ville Mont-Royal, Québec, Canada Director	Advisor to the President and Founder of Rodeo FX Inc. (visual effects company)	2020	500,000
Robert Cople <sup>(2)</sup> ..... Frisco, Texas, U.S.A. Director	Consultant and Corporate Director	2017	538,500
Luc Martin <sup>(2)</sup> ..... Laval, Québec, Canada Director	Corporate Director	2020	206,250

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

(2) Member of the Audit Committee.

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

All of the nominees whose names are set out above have previously been elected directors of the Corporation at a shareholders' meeting for which an information circular was issued, except for Sébastien Mailhot, Denis Chamberland and Luc Martin. The following are brief biographies of these three nominees.

Sébastien Mailhot joined D-BOX in 2015 as a Senior Vice-President, Strategic Alliances and Corporate Development. He then became Senior Vice President, Corporate Development and Operations, and Chief Operating Officer in 2016. When the Chief Financial Officer of the Corporation, Mr. Jean-François Lacroix, left the Corporation in August 2019, Mr. Mailhot was appointed as interim Chief Financial Officer while retaining his responsibilities as Chief Operating Officer. Before joining D-BOX, Sébastien Mailhot served as Chief Executive Officer of Carreaux Céragrès, a privately-held manufacturer and distributor of ceramic, stone and architectural products where he worked to grow the commercial and retail presence beyond Québec. From February 2004 to January 2009, Mr. Mailhot was partner and Vice-President of Capimont Technologies, a venture capital fund dedicated to industrial technologies. Prior to that, Mr. Mailhot was Vice President of Finance and Administration for various technology companies. He was also a financial consultant at Arthur Andersen, providing M&A, financing and strategic services to growing companies. Mr. Mailhot holds both Chartered Accountant (CPA) and Chartered Business Valuator (CBV) designations.

Denis Chamberland, FCPA, FCA, ICD.D is the holder of a bachelor's degree in business administration from HEC Montréal and is a fellow of the Ordre des comptables professionnels agréés du Québec. He has also earned a certificate from the Quebec chapter of the Institute of Corporate Directors, qualifying him for the ICD.D designation. He is advisor to the President and CEO of Rodeo FX Inc., an international visual effects company, involved in projects in the film, television and advertising industry, with studios in Montreal, Quebec City, Munich and Los Angeles. Previously, from 2012 to 2017, he served as the Chief Executive Officer and Strategic advisor of Ricardo Media Inc., publisher of the single most influential



digital platform dedicated to food in Canada, with its own branding of cookware, tableware and kitchen accessories, operating boutiques and cafes, and producing cooking shows. Mr. Chamberland has served as a member of the Board of Société des alcools du Québec (SAQ) since 2018. He has served as Chairman of the board of Gastronomica Aliments fins Inc. since January 2020. He was co-managing partner at Richter/RSM Richter Chamberland where he put his brand development skills to good use from 2009 to 2012. Gifted with a strong entrepreneurial bent, Mr. Chamberland also founded an accounting firm, Chamberland Hodge, focused on providing support services to entrepreneurs, where he was co-CEO from 1985 to 2009. Mr. Chamberland is currently a member of the board of governors of HEC Montréal.

Luc Martin has over 35 years of experience in the field of finance, accounting and business management. From 2002 to November 2014, Mr. Martin was a partner at Deloitte Canada where he held various positions, including managing partner of finance and operations. He was also responsible for external audit services offered to publicly traded and private companies. From 1979 to 2002, Mr. Martin worked at Andersen, where he was a partner from 1990 to 2002. He was a partner offering external audit services to publicly traded and private companies while holding various management positions for Andersen in Canada. Mr. Martin sits on the boards of BTB Real Estate Investment Trust (where he also chairs the audit committee), Richelieu Hardware Ltd. since April 2020 and Behaviour Interactive Inc. since August 2018. Mr. Martin is a CPA and holds a bachelor's degree in business administration from École des Hautes Études Commerciales (HEC) in Montréal (1979).

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

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

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

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

### **Majority Voting for Directors**

In March 2013, the Board of Directors adopted a majority-voting policy which was amended on July 8, 2016. Under this policy, in an uncontested election of directors, any nominee proposed for election as a director who receives a greater number of “withheld” votes than “for” votes is expected promptly following the date of the shareholders’ meeting at which the election occurred to tender his or her resignation to the Chair of the Board of Directors for consideration by the Compensation and Corporate Governance Committee of the Board of Directors (the “**CCGC**”), with the resignation to take

effect upon acceptance by the Board of Directors. This policy applies only to “uncontested elections”, that is, elections where the number of nominees for director is equal to the number of directors to be elected.

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

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

The Board of Directors will act on the CCGC’s recommendation within 90 days following the date of the shareholders’ meeting at which the election occurred. The Board of Directors will be expected to accept the resignation except in situations where extenuating circumstances would warrant that the director continue to serve on the Board of Directors. In considering whether or not to accept a resignation, the Board of Directors will consider the information, factors and alternatives considered by the CCGC and such additional information, factors and alternatives that the Board of Directors may consider to be relevant.

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

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

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

## **COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS**

### **Compensation Discussion & Analysis**

This discussion describes the Corporation’s compensation program for each person who acted as President and Chief Executive Officer (“**CEO**”), Chief Financial Officer (“**CFO**”) and the three most highly-compensated executive officers (or three most highly-compensated individuals acting in a similar capacity), other than the CEO and the CFO, whose total compensation was more than \$150,000 in the Corporation’s last fiscal year (each a “**Named Executive Officer**” or “**NEO**” and collectively the “**Named Executive Officers**” or “**NEOs**”). This section addresses the Corporation’s philosophy and objectives and provides a review of the process that the CCGC follows in deciding how to compensate the NEOs. This section also provides discussion and analysis of the CCGC’s specific decisions about the compensation of the NEOs for the fiscal year ended March 31, 2020. The Corporation had seven (7) NEOs during the fiscal year ended March 31, 2020, namely Claude Mc Master, President and Chief Executive Officer, David Montpetit, Chief Financial Officer, Sébastien Mailhot, Chief Operating Officer, Robert Desautels, Chief Technology Officer, Yannick Gemme, Vice President, Sales, Jean-François Lacroix, Former Chief Financial Officer, and Philippe Roy, Former Chief Business Development Officer.

### **Compensation and Corporate Governance Committee**

As at the date hereof, the CCGC is composed of three (3) directors, namely Louis P. Bernier, Brigitte Bourque and Denis Chamberland, all of which are independent within the meaning of National Instrument 52-110 *Audit Committees*. The Board of Directors believes that the members of the CCGC have the knowledge, experience and required backgrounds to fulfill the CCGC’s mandate, and each member of the CCGC has direct experience that is relevant to his responsibilities in executive

compensation. In particular, (i) Louis P. Bernier is a partner at Fasken Martineau DuMoulin LLP, a law firm, where he specializes in labour, employment, public and constitutional law. Mr. Bernier has served as a member of the International Society for Labour and Social Security Law and is a member of the board of directors of the Fédération des chambres de commerce du Québec, where he serves as chairman of the labour committee; (ii) Brigitte Bourque is an executive coach at Pauzé Coaching, the firm she co-founded in 2010. She served as Chief of Staff for the Québec Environment Minister and Special Advisor for the Québec Premier’s office, and she was Assistant Deputy Minister at the Communications Department from 1989 to 1994. She was Vice-President, Corporate Human Resources and Employee Communications at Teleglobe Canada Inc., an international telecommunications carrier, she is currently on the board of Executives Available, a non-profit organization, and she is involved as an expert with Femmessor, an organization financing and helping women entrepreneurs; and (iii) Denis Chamberland is advisor to the President and CEO of Rodeo FX Inc., an international visual effects company, involved in projects in the film, television and advertising industry. He served as the Chief executive officer and Strategic advisor of Ricardo Media Inc. until 2017, and has served as a member of the Board of Société des alcools du Québec (SAQ) since 2018. He was co-managing partner at Richter/RSM Richter Chamberland and he also founded an accounting firm, Chamberland Hodge, focused on providing support services to entrepreneurs. Mr. Chamberland is currently a member of the board of governors of HEC Montréal. These collective skills and vast experience allow the CCGC to make decisions affecting the relevance of policies and practices regarding the Corporation’s compensation.

The mandate of the CCGC is to annually review and make recommendations to the Board of Directors with respect to the Corporation’s compensation and benefit programs for the NEOs and directors as well as other members of senior management of the Corporation, including base salaries, bonuses and stock option grants. In the assessment of the annual compensation of the NEOs, the CCGC consults with senior management to develop, recommend and implement compensation philosophy and policy. The CCGC also takes into consideration the competitiveness of the compensation packages offered to the NEOs. Compensation decisions are usually made in the first quarter of a fiscal year, in respect of performance achieved in the prior fiscal year.

**Comparative Group and External Compensation Consultant**

To ensure the competitiveness of the compensation offered to the NEOs and other senior executives of the Corporation, the CCGC may retain, from time to time, the services of executive compensation consultants to provide advice on executive compensation.

During the fiscal year ended on March 31, 2018, the CCGC retained the services of Hexarem Inc. (“**Hexarem**”) to provide a benchmarking analysis and to advise the Corporation on the competitiveness and appropriateness of compensation programs offered to its executives.

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

COMPARATIVE GROUP		
Ballantyne Strong	BSM Technologies Inc.	Espial Group Inc.
Intrinsyc Technologies Corporation	TECSYS Inc.	Virtra Inc.
Mediagrif Interactive Technologies Inc.	NexJ Systems Inc.	Symbility Solutions Inc.

The CCGC considers the aforementioned Hexarem analysis and the Comparative Group when performing annual reviews and making recommendations to the Board of Directors with respect to the Corporation’s compensation and benefit programs for the NEOs and directors as well as other members of senior management of the Corporation. Although the CCGC may rely on information and advice obtained from consultants such as Hexarem, all decisions with respect to executive compensation are made by the Board of Directors upon recommendation of the CCGC and may reflect factors and considerations that differ from information and recommendations provided by such consultants, such as merit and the need to retain high-performing executives.

## Compensation Program Philosophy and Objectives

### *Philosophy*

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

### *Purpose*

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

- (a) create a proper balance between building shareholder wealth and competitive executive compensation while maintaining good corporate governance;
- (b) produce long-term, positive results for the Corporation's shareholders;
- (c) align executive compensation with corporate performance and appropriate peer group comparisons; and
- (d) provide market-competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the executive talent necessary to be successful.

## Compensation Process

The executive compensation program is administered by the CCGC. The CCGC has the authority to retain independent consultants to advise it on compensation matters.

## Components of Executive Compensation

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

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

Annual incentive bonuses are related to performance and may form a greater or lesser part of the entire compensation package in any given year.

### Base Salaries

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

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

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

### Variable Cash Incentive Awards – Bonuses

The CCGC's philosophy with respect to NEO bonuses is to align the payment of bonuses with the performance of the Corporation, based on predefined goals and objectives established by the CCGC and management and the relative contribution of each of the executive officers, including the CEO, to that performance. During the fiscal year ended March 31, 2020, the CCGC did not approve the payment of any bonuses to the NEOs to ensure the Corporation's sustainability in a time of the COVID-19 pandemic, and because corporate objectives were not all met to the satisfaction of the CCGC.

For fiscal 2020, bonuses would have been determined by the CCGC on the basis of a combination of two elements: (i) the progress achieved in respect of the projects, targets and financial performance-related objectives of the Corporation, as well as the implementation of the business plan and various strategies, such as the attainment of sales, production cost-cutting, technology deployment and brand-recognition objectives; and (ii) the NEO's individual contribution to the foregoing positive results through the achievement of their personal objectives.

The following table sets out the personal and corporate objectives for each of the NEOs for the fiscal year ended March 31, 2020, expressed as a percentage of base salary:

NAME AND PRINCIPAL OCCUPATION	PERCENTAGE OF BASE SALARY AS BONUS	PERSONAL OBJECTIVES (20%)	CORPORATE OBJECTIVES (80%) <sup>(1)</sup>
Claude Mc Master <sup>(2)</sup> President and Chief Executive Officer	67%	<ul style="list-style-type: none"> <li>• Close financial transaction or strategic partnership generating growth; and</li> <li>• Discretionary assessment made by the Board of Directors.</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve level of sales;</li> <li>• Achieve an appropriate level of adjusted EBITDA<sup>(8)</sup>, taking into account opportunities that arise during the year; and</li> <li>• Maintain minimum cash balance.</li> </ul>
David Montpetit <sup>(3)</sup> Chief Financial Officer	N/A	N/A	
Jean-François Lacroix <sup>(4)</sup> Former Chief Financial Officer	30%	<ul style="list-style-type: none"> <li>• Obtain financing to facilitate the growth of the Corporation;</li> <li>• Implement strategic financial communication plan; and</li> <li>• Implement customer centric initiative.</li> </ul>	
Philippe Roy <sup>(5)</sup> Former Chief Business Development Officer	45%	<ul style="list-style-type: none"> <li>• Increase sales in the commercial theatre sub-market in Asia, India and Canada; and</li> <li>• Implement customer centric initiative.</li> </ul>	
Sébastien Mailhot <sup>(6)</sup> Chief Operating Officer and Former Interim Chief Financial Officer	40%	<ul style="list-style-type: none"> <li>• Close financial transaction or strategic partnership generating potential growth;</li> <li>• Develop a successful product commercialization plan; and</li> <li>• Implement customer centric initiative.</li> </ul>	

NAME AND PRINCIPAL OCCUPATION	PERCENTAGE OF BASE SALARY AS BONUS	PERSONAL OBJECTIVES (20%)	CORPORATE OBJECTIVES (80%) <sup>(1)</sup>
Robert Desautels Chief Technology Officer	30%	<ul style="list-style-type: none"> <li>• Complete the development of a new product ecosystem;</li> <li>• Complete the development of new initiatives to increase efficiency and productivity; and</li> <li>• Implement customer centric initiative.</li> </ul>	
Yannick Gemme Vice President, Sales	N/A <sup>(7)</sup>	<ul style="list-style-type: none"> <li>• Increase sales in the commercial theatre and commercial entertainment markets.</li> </ul>	

- (1) This percentage may vary between 80%, 100% or 120% of 80% of the percentage of base salary as bonus, depending on the degree of achievement of the corporate objectives. By way of example, if corporate objectives were surpassed by a certain degree, the Corporation could have paid up to 96% of the percentage of base salary as bonus to the NEOs.
- (2) Claude Mc Master retired as President, Chief Executive Officer and director of the Corporation on March 31, 2020, the last day of the Corporation's fiscal year ended March 31, 2020.
- (3) David Montpetit was appointed as Chief Financial Officer of the Corporation on January 13, 2020. Mr. Montpetit did not have personal and corporate objectives to meet during the fiscal year ended March 31, 2020 and was not eligible to receive a bonus.
- (4) Jean-François Lacroix resigned as Chief Financial Officer of the Corporation effective on August 7, 2019.
- (5) Philippe Roy resigned as Chief Business Development Officer of the Corporation effective on December 31, 2019.
- (6) Sébastien Mailhot was appointed as President, Chief Executive Officer and director of the Corporation effective on April 1, 2020. Mr. Mailhot acted as interim Chief Financial Officer of the Corporation from August 7, 2019 to January 13, 2020.
- (7) The bonus that Yannick Gemme could earn was not expressed as a percentage but as a dollar amount of certain sales and other performance thresholds to be reached.
- (8) EBITDA means net income before items not affecting cash, foreign exchange gain or loss, financial expenses, interest income and income taxes.

#### *Long-Term Incentive Plans*

The Corporation provides long-term incentive compensation to the NEOs through, primarily, the 2015 Stock Option Plan and RSU Plan, and potentially through the DSU Plan.

#### *2015 Stock Option Plan*

The Corporation provides long-term incentive compensation to its NEOs through the 2015 Stock Option Plan (the "**2015 Plan**"). The CCGC recommends the granting of Options from time to time based on its assessment of the appropriateness of doing so in light of the long-term strategic objectives of the Corporation, its current stage of development, the need to retain or attract particular key personnel, the number of Options already outstanding and overall market conditions. The CCGC views the granting of Options as a means of promoting the success of the Corporation and higher returns to its shareholders. As such, the CCGC does not grant Options in excessively dilutive numbers. During the fiscal year ended March 31, 2020, the Corporation granted Options in respect of an aggregate of 2,555,000 Class A common shares to its NEOs. The Options granted on August 26, 2019 have an exercise price of \$0.13 per Class A common share and an expiry date of August 26, 2029, and the Options granted on February 17, 2020 have an exercise price of \$0.08 per Class A common share and an expiry date of February 17, 2025. These Options may be exercised in whole or in part in respect of 1/3 of the shares subject to these Options every 12 month period following the date of grant. In addition to the vesting schedule set out above, 40% of the Options granted to the CEO of the Corporation are subject to a performance-related objective that is set by the CCGC.

On February 12, 2020, the Board of Directors adopted an incentivization policy for NEOs. Under such policy, the CCGC has determined the number of Options that should be granted to each NEO based on their level of management, and will grant Options to each NEO over a period of five (5) years in order for those NEOs to achieve such determined number of Options based on their level of management. Such Options will expire five (5) years after the grant date. No more than 2% of all issued and outstanding shares of the Corporation will be granted as Options each year under such policy. This incentivization policy will always be subject to the discretion of the Board of Directors of the Corporation who may change any aspect of the incentivization policy at any time in exceptional circumstances.

In 1999, the Board of Directors of the Corporation established the 1999 Stock Option Plan (the "**1999 Plan**") for the directors, officers and employees of, and consultants to, the Corporation and its subsidiaries. On June 16, 2011, the Board of Directors repealed the 1999 Plan and adopted the 2011 Stock Option Plan (the "**2011 Plan**"), which was approved by the shareholders of the Corporation at the annual and special meeting of shareholders held on August 24, 2011. All Options that were granted under the 1999 Plan and that were outstanding as at August 24, 2011 were carried over to the 2011 Plan. On June 18, 2015, the Board of Directors repealed the 2011 Plan and adopted the 2015 Plan, which was approved by the

shareholders of the Corporation at the annual and special meeting of shareholders held on August 12, 2015. All Options that were granted under the 2011 Plan and that were outstanding as at August 12, 2015 were carried over to the 2015 Plan. The 2015 Plan provides that the total number of Class A common shares reserved for issuance thereunder and under all of the Corporation's other share-based compensation agreements cannot exceed 10% of the issued and outstanding Class A common shares of the Corporation at the time of a grant. The 2015 Plan is considered to be an "evergreen" plan, since the number of Class A common shares covered by Options which have been exercised will be available for subsequent grants under the 2015 Plan and the number of Options available for grants increases as the number of issued and outstanding Class A common shares of the Corporation increases.

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

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



entitled to acquire at the time of permanent disability, for a period of one year after the date of permanent disability or prior to the expiration of the term of the Option, whichever occurs earlier;

- (xi) upon an optionee's employment, office, directorship or service-provider relationship with the Corporation terminating or ending other than by reason of death, permanent disability or termination for "serious reason", Options may be exercised for that number of Class A common shares which the optionee was entitled to acquire at the time of such termination, for a period of 90 days after such date or prior to the expiration of the term of the Option, whichever occurs earlier;
- (xii) upon an optionee's employment, office or directorship with, or provision of services to, the Corporation being terminated as a result of the resignation of the optionee, any Option or unexercised part thereof granted to such optionee may be exercised only for that number of Class A common shares which the optionee was entitled to acquire under the Option at the time of such termination. Such Option will be exercisable within 30 days after such termination or prior to the expiration of the term of the Option, whichever occurs earlier;
- (xiii) the 2015 Plan does not offer optionees financial assistance from the Corporation;
- (xiv) in the event the Corporation proposes to amalgamate, merge or consolidate with or into any other company (other than with a wholly-owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Class A common shares of the Corporation or any part thereof is made to all holders of Class A common shares of the Corporation (other than the offeror or offerors), the Corporation will have the right, upon written notice thereof to each optionee holding Options under the 2015 Plan, to determine, in the Corporation's sole discretion, that all Options held by such optionees may be exercised, section 6.1(c) of the 2015 Plan notwithstanding, within the 20-day period next following the date of such notice, and that upon the expiry of such 20-day period, all rights of optionees to Options under the 2015 Plan or to exercise same (to the extent not theretofore exercised) will terminate and that all such Options will cease to have further force or effect whatsoever;
- (xv) the Board of Directors may, by resolution, advance the date on which any Option may be exercised in a manner to be set forth in such resolution. The Board of Directors will not, in the event of any such advancement, be under any obligation to advance the date on or by which any Option may be exercised by any other optionee;
- (xvi) the Board of Directors may, by resolution, but subject to applicable regulatory requirements, decide that any of the provisions of the 2015 Plan concerning the effect of termination of the optionee's employment will not apply for any reason acceptable to the Board of Directors;
- (xvii) the approval of the shareholders of the Corporation is required for the following amendments to the 2015 Plan: (a) amendments to the number of Class A common shares that may be issued under the 2015 Plan, including an increase in the maximum percentage or in the number of shares; (b) any amendment to the 2015 Plan serving to lengthen the Extension due to a Blackout Period; (c) any amendment designed to reduce the exercise price or purchase price of an Option held by an "insider" of the Corporation; (d) any amendment extending the term of an Option held by an "insider" of the Corporation beyond the initial expiration date, unless authorization to the contrary is provided for under the 2015 Plan; and (e) amendments that must be approved by shareholders under applicable laws (in particular, the rules, regulations and policies of the TSX);
- (xviii) the Board of Directors of the Corporation may make the following types of amendments to the 2015 Plan without obtaining the approval of the shareholders of the Corporation: (a) amendments of an "administrative" nature, namely any modification in respect of internal management or administrative amendments, in particular, without limiting the generality of the foregoing, any amendment designed to correct an ambiguity, error or omission in the 2015 Plan or to correct or add to a provision of the 2015 Plan that is incompatible with another provision of the 2015 Plan; (b) amendments necessary to ensure compliance with applicable laws (in particular, the rules, regulations and policies of the TSX); (c) amendments required so that Options are eligible for more favourable treatment under applicable tax legislation; (d) any amendment relating to the

administration of the 2015 Plan; (e) any amendment to the vesting provisions of the 2015 Plan or an Option, it being understood that in case of an amendment to the vesting provision of an Option, the Board of Directors is not required to amend the vesting terms and conditions of any other Option; (f) any amendment designed to reduce the exercise price or purchase price of an Option held by an optionee who is not an “insider” of the Corporation; (g) any amendment to the provisions in respect of early termination of the 2015 Plan or an Option, whether or not such Option is held by an “insider” of the Corporation and provided such amendment does not result in an extension of the period beyond the initial expiration date; (h) the addition of a form of financial assistance offered by the Corporation for the acquisition of Class A common shares under the 2015 Plan by all or some categories of eligible participants and the subsequent amendment of such provisions; (i) the addition or amendment of a “cashless” exercise provision; (j) amendments required to suspend or terminate the 2015 Plan; and (k) any other amendment, whether fundamental or not, that does not require the approval of the shareholders under applicable laws;

- (xix) if the Corporation is required under the *Income Tax Act* (Canada) or another applicable law to remit an amount to a government authority as income tax on the value of a taxable benefit associated with the exercise of an Option by an optionee, the optionee, upon the exercise of an Option, must, as the case may be:
- (a) pay the Corporation, in addition to the Option exercise price, sufficient cash, as determined by the Corporation in its sole discretion, in order to finance the required tax remittance;
  - (b) authorize the Corporation, on behalf of the optionee, to sell on the market, according to the terms and conditions and at the times determined by the Corporation in its sole discretion, the portion of the Class A common shares to be issued upon exercise of the Option sufficient to generate cash proceeds to finance the required tax remittance; and
  - (c) take other measures that the Corporation deems acceptable, in its sole discretion, to finance the required tax remittance.

As at March 31, 2020, the maximum number of Class A common shares issuable pursuant to the 2015 Plan and 2011 Plan was 17,595,057 shares, representing 10% of the then issued and outstanding Class A common shares. At such date, there were 14,533,289 Options issued and outstanding pursuant to the 2015 Plan and 2011 Plan, representing 8.26% of the then issued and outstanding Class A common shares, leaving 3,061,768 unallocated Options available for future grants under the 2015 Plan, representing approximately 1.7% of the then issued and outstanding Class A common shares.

In accordance with the requirements of section 613 of the TSX Company Manual, companies listed on the TSX are now required to disclose an “annual burn rate” (“**ABR**”) for each of their security-based compensation arrangements as of the end of the financial year. ABR refers to the number of shares that are subject to awards that are granted over the year, expressed as a percentage of the total weighted average number of issued and outstanding shares for the applicable fiscal year. The weighted average number of Class A common shares of the Corporation issued and outstanding in each of the last three fiscal years is as follows:

- Year ended March 31, 2020 - 175,950,573 Class A common shares;
- Year ended March 31, 2019 - 175,950,573 Class A common shares; and
- Year ended March 31, 2018 - 175,950,573 Class A common shares.

The ABR under the 2015 Plan, calculated in accordance with section 613(p) of the TSX Company Manual, was 2.38% in the fiscal year ended March 31, 2020, 0.97% in the fiscal year ended March 31, 2019, and 0.90% in the fiscal year ended March 31, 2018.

The 2015 Plan is available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and can also be obtained by contacting the Vice President, Legal Affairs and Corporate Secretary of the Corporation at 2172 de la Province Street, Longueuil, Québec, J4G 1R7, or by telephone at 450-442-3003.

## RSU Plan

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

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

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

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

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

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

Settlement of the RSUs is effected following the participant's entitlement date by: (i) delivering Class A common shares acquired in the open market; (ii) making a cash payment equal to the number of RSUs multiplied by the volume-weighted

average trading price of the Class A common shares on the TSX for the five trading days preceding the entitlement date, or (iii) a combination of the foregoing.

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

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

During the fiscal year ended March 31, 2020, the Corporation did not grant any RSUs pursuant to the RSU Plan to its NEOs.

#### *DSU Plan*

The Board of Directors adopted a DSU Plan in June 2016. The DSU Plan forms part of the Corporation's long-term incentive compensation arrangements available for the independent directors of the Corporation and, potentially, NEOs. The DSU Plan is designed to further align the interests of the independent directors of the Corporation, and potentially the NEOs, with those of the shareholders by providing a mechanism to receive incentive compensation in the form of equity. The Board of Directors is responsible for the administration of the DSU Plan; however, the Board of Directors may, to the extent permitted by applicable law, delegate the administration of the DSU Plan to the CCGC.

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

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

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

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

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

During the fiscal year ended March 31, 2020, the Corporation did not grant any DSUs pursuant to the DSU Plan to its NEOs nor its directors.

#### **Group Benefits/Perquisites**

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

## Executive Compensation-Related Fees

### Executive Compensation-Related Fees

“Executive Compensation-Related Fees” consist of fees for professional services billed by each consultant or advisor, or any of its affiliates, that are related to determining compensation for any of the Corporation’s directors and executive officers. The Corporation was not billed any Executive Compensation-Related fees during the fiscal year ended March 31, 2020, or during the fiscal year ended March 31, 2019.

### All Other Fees

“All Other Fees” consist of fees for services that are billed by each consultant or advisor mentioned above and which are not reported under “Executive Compensation-Related Fees”. Hexarem billed the Corporation an amount of \$10,000 for other fees during the fiscal year ended March 31, 2020 and the Corporation was not billed any other fees during the fiscal year ended March 31, 2019.

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

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

The CCGC considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

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

## Summary of the Compensation of the Named Executive Officers

The following table sets out information for the fiscal years ended March 31, 2020, 2019 and 2018 regarding compensation paid to or earned by the NEOs:

**Summary Compensation Table**

Name and Principal Occupation	Year	Salary <sup>(1)</sup> (\$)	Share-Based Awards <sup>(2)</sup> (\$)	Option-Based Awards <sup>(3)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value <sup>(5)</sup> (\$)	All other Compensations <sup>(6)</sup> (\$)	Total Compensation <sup>(7)</sup> (\$)
					Annual Incentive Plans <sup>(4)</sup>	Long-Term Incentive Plans			
Claude Mc Master <sup>(8)</sup> President and Chief Executive Officer	2020	355,806	25,326	—	—	—	1,259,590 <sup>(9)</sup>	—	1,640,722
	2019	350,597	—	35,884	232,969	—	100,000 <sup>(10)</sup>	—	719,450
	2018	343,324	—	93,741	225,427	—	100,000 <sup>(10)</sup>	4,300	766,792
David Montpetit <sup>(11)</sup> Chief Financial Officer	2020	41,538	—	19,200	—	—	—	—	60,738
Sébastien Mailhot <sup>(12)</sup> Chief Operating Officer and Former Chief Financial Officer	2020	264,742	8,442	119,000	—	—	—	—	392,184
	2019	241,323	—	—	99,520	—	—	—	340,843
	2018	215,000	—	20,889	61,275	—	—	—	297,164

Name and Principal Occupation	Year	Salary <sup>(1)</sup> (\$)	Share-Based Awards <sup>(2)</sup> (\$)	Option-Based Awards <sup>(3)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value <sup>(5)</sup> (\$)	All other Compensations <sup>(6)</sup> (\$)	Total Compensation <sup>(7)</sup> (\$)
					Annual Incentive Plans <sup>(4)</sup>	Long-Term Incentive Plans			
Robert Desautels Chief Technology Officer	2020	219,211	8,442	35,000	—	—	—	—	262,653
	2019	206,160	—	14,952	65,998	—	—	—	287,110
	2018	203,000	—	—	56,637	—	—	—	259,637
Yannick Gemme Vice President, Sales	2020	163,891	4,221	32,200	—	—	—	—	200,312
	2019	199,269	—	14,952	112,500	—	—	—	326,721
	2018	247,441	—	4,130	25,000	—	—	—	276,571
Jean-François Lacroix <sup>(13)</sup> Former Chief Financial Officer	2020	95,265	8,442	—	—	—	—	—	95,265
	2019	203,677	—	14,952	60,802	—	—	—	279,431
	2018	130,769	—	38,882	36,485	—	—	—	206,136
Philippe Roy <sup>(14)</sup> Former Chief Business Development Officer	2020	350,540	—	—	—	—	—	—	358,982
	2019	236,308	—	14,952	96,257	—	—	—	347,517
	2018	233,450	—	—	89,295	—	—	—	322,745

- (1) This column discloses the actual salary earned during the fiscal year indicated.
- (2) This column discloses the total value of RSUs granted to the Named Executive Officer during the fiscal year indicated. These amounts are equal to the number of RSUs granted multiplied by volume weighted average trading price of the Class A common shares on the TSX for the five consecutive trading days immediately prior to the date of grant on July 4, 2016 (\$0.63). These amounts do not reflect the current value of the RSUs or the value, if any, that may be received when the RSUs are settled.
- (3) This column discloses the total value of Options at the time of grant. **These figures do not reflect the current value of the Options or the value, if any, that may be realized if and when the Options are exercised.** The value of the Option awards was calculated using the Black-Scholes option-pricing model using the same assumptions used for determining the equity-based compensation expense in the Corporation's financial statements for the fiscal years ended March 31, 2020, 2019 and 2018 in accordance with International Financial Reporting Standards 2 ("IFRS 2"). These assumptions are:

	Fiscal year 2020		Fiscal year 2019		Fiscal year 2018	
	February 17, 2020	August 26, 2019	December 17, 2018	August 14, 2017	June 22, 2017	
Exercise price:	\$0.08	\$0.13	\$0.19	\$0.33	\$0.33	
Risk-free interest rate:	1.37%	1.21%	1.99%	1.61%	1.24%	
Expected life of Options:	5.0 years	6.6 years	6.7 years	6.4 years	6.4 years	
Expected volatility factor:	62.14%	63.41%	65.80%	69.51%	69.48%	
Dividend yield:	0%	0%	0%	0%	0%	
Forfeiture rate:	7.53%	7.29%	6.16%	4.43%	4.35%	
Fair value of granted Options:	\$0.05	\$0.08	\$0.12	\$0.19	\$0.21	

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

- (4) The amounts disclosed in the column are granted as annual cash bonuses and are attributable in the fiscal year indicated.
- (5) The Corporation does not have a retirement plan.
- (6) These amounts represent compensation for private insurance premiums.
- (7) **The total compensation value does not represent the real cash compensation earned by the Named Executive Officer during these fiscal years.**
- (8) Claude Mc Master retired as President, Chief Executive Officer and director of the Corporation on March 31, 2020, the last day of the Corporation's fiscal year ended March 31, 2020.
- (9) This amount includes a retirement payment of \$1,159,590, and an amount equal to \$100,000 which Claude Mc Master was entitled to receive as a final payment from the \$400,000 retirement allowance payable to Mr. Mc Master on the date of his retirement.
- (10) This amount is an anticipated payment from the retirement allowance payable to Claude Mc Master on the date of his retirement.
- (11) David Montpetit was appointed as Chief Financial Officer of the Corporation on January 13, 2020.
- (12) Sébastien Mailhot was appointed as President, Chief Executive Officer and director of the Corporation effective on April 1, 2020. Mr. Mailhot acted as interim Chief Financial Officer of the Corporation from August 7, 2019 to January 13, 2020.
- (13) Jean-François Lacroix resigned as Chief Financial Officer of the Corporation effective on August 7, 2019.
- (14) Philippe Roy resigned as Chief Business Development Officer of the Corporation effective on December 31, 2019.

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

## Incentive Plan Awards

The following table sets out the details of all Options held by the NEOs as at March 31, 2020, the end of the Corporation's last fiscal year:

Name	Option-Based Awards				Share-Based Awards <sup>(2)</sup>		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-based Awards That Have Not Vested <sup>(3)</sup> (\$)	Market or Payout Value of Vested Share-based Awards Not Paid or Distributed (\$)
Robert Desautels	300,000	0.19	April 11, 2023	—	—	—	—
	275,000	0.08	February 17, 2025	—			
	125,000	0.19	December 17, 2028	—			
	100,000	0.13	August 26, 2029	—			
Yannick Gemme	60,000	0.65	April 19, 2021	—	—	—	—
	150,000	0.28	April 19, 2022	—			
	100,000	0.19	April 11, 2023	—			
	20,000	0.23	December 23, 2023	—			
	240,000	0.08	February 17, 2025	—			
	50,000	0.36	August 12, 2025	—			
	55,000	0.33	June 22, 2027	—			
	125,000	0.19	December 17, 2028	—			
100,000	0.13	August 26, 2029	—				
Sébastien Mailhot	1,000,000	0.08	February 17, 2025	—	—	—	—
	200,000	0.33	July 2, 2025	—			
	200,000	0.53	December 8, 2026	—			
	100,000	0.33	June 22, 2027	—			
	200,000	0.19	December 17, 2028	—			
300,000	0.13	August 26, 2029	—				
Claude Mc Master	150,000	0.28	April 19, 2022	—	—	—	—
	900,000	0.19	April 11, 2023	—			
	777,534	0.18	December 23, 2023	—			
	1,250,000	0.23	December 23, 2023	—			
	448,755	0.33	June 22, 2027	—			
	437,500	0.19	December 17, 2028	—			
300,000	0.13	August 26, 2029	—				
David Montpetit	240,000	0.08	February 17, 2025	—	—	—	—

(1) This column sets out the aggregate value of in-the-money unexercised Options as at March 31, 2020, calculated based on the difference between the market price of the Class A common shares underlying the Options as at March 31, 2020 (\$0.05), the last trading day during the fiscal year ended March 31, 2020, and the exercise price of the Options.

(2) The Board of Directors adopted a the RSU Plan on June 21, 2016, which forms part of the Corporation's long-term incentive compensation arrangements available for its Named Executive Officers, other officers and key employees, and consultants to the Corporation.

(3) These amounts are equal to the number of RSUs granted multiplied by volume weighted average trading price of the Class A common shares on the TSX for the five (5) consecutive trading days ended March 31, 2020 (\$0.036). These amounts do not reflect the current value of the RSUs or the value, if any, that may be received when the RSUs are settled.

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

The following table sets out, for each NEO, the value of option-based awards and share-based awards which vested during the fiscal year ended March 31, 2020 and the value of non-equity incentive plan compensation earned during the fiscal year ended March 31, 2020:



Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Robert Desautels	—	8,442	—
Yannick Gemme	—	4,221	—
Jean-François Lacroix	—	—	—
Sébastien Mailhot	—	8,442	—
Claude Mc Master	—	—	—
David Montpetit	—	—	—
Philippe Roy <sup>(3)</sup>	—	8,442	—

- (1) Calculated based on the difference between the market price of the shares underlying the Options at the vesting date and the exercise price of the Options on such vesting date.
- (2) The Board of Directors adopted the RSU Plan on June 21, 2016, which forms part of the Corporation's long-term incentive compensation arrangements available for its Named Executive Officers, other officers and key employees, and consultants to the Corporation.
- (3) Philippe Roy resigned as Chief Business Development Officer of the Corporation effective on December 31, 2019.

## Termination and Change of Control Benefits

### *Employment Agreement with Claude Mc Master*

The Corporation has entered into an employment agreement for an indeterminate term with Claude Mc Master, President and Chief Executive Officer of the Corporation. In addition to his base salary, Mr. Mc Master was eligible to receive a performance bonus calculated as a percentage of his annual base salary and tied to attaining objectives which are determined on an annual basis. Mr. Mc Master's remuneration was reviewed annually by the CCGC. Pursuant to his employment agreement, Mr. Mc Master had given, among other things, a non-disclosure undertaking to the Corporation. In the event of the termination of Mr. Mc Master's employment by the Corporation without reasonable cause, he was entitled to receive payment in an amount equal to twice his annual compensation, that is, his base salary for the current year plus an amount corresponding to the average of the last two years of bonuses approved by the Board of Directors. In the event of a change of control of the Corporation, Mr. Mc Master was entitled to receive payment in an amount equal to three times his annual compensation. Mr. Mc Master retired as President and Chief Executive Officer of the Corporation on March 31, 2020. He was entitled to receive a retirement payment in an amount equal to \$1,159,590, and an amount equal to \$100,000 which he was entitled to receive as a final payment from the \$400,000 retirement allowance payable to Mr. Mc Master on the date of his retirement. In each of the fiscal years ended March 31, 2019, 2018 and 2017, the Corporation has made such an anticipated payment of \$100,000 from the retirement allowance payable to Mr. Mc Master on the date of his retirement.

### *Employment Agreement with David Montpetit*

The Corporation has entered into an employment agreement for an indeterminate term with David Montpetit, Chief Financial Officer of the Corporation. In addition to his base salary, Mr. Montpetit is eligible to receive a performance bonus calculated as a percentage of his annual base salary and tied to attaining personal and corporate objectives which are determined on an annual basis. Mr. Montpetit's remuneration is reviewed annually by the President of the Corporation and approved by the CCGC. Pursuant to his employment agreement, Mr. Montpetit has given, among other things, a non-disclosure undertaking to the Corporation. His employment agreement does not contain any provisions with regard to the termination of Mr. Montpetit's employment by the Corporation without reasonable cause, including the event of a change of control of the Corporation.

### *Employment Agreement with Sébastien Mailhot*

The Corporation has entered into an employment agreement for an indeterminate term with Sébastien Mailhot, Chief Operating Officer of the Corporation. In addition to his base salary, Mr. Mailhot is eligible to receive a performance bonus calculated as a percentage of his annual base salary and tied to attaining objectives which are determined on an annual basis. Mr. Mailhot's remuneration is reviewed annually by the President of the Corporation and approved by the CCGC. Pursuant to his employment agreement, Mr. Mailhot has given, among other things, a non-disclosure undertaking to the Corporation. In the event of the termination of Mr. Mailhot's employment by the Corporation without reasonable cause, he is entitled to receive payment in an amount equal to his annual compensation, that is, his base salary for the current year plus an amount corresponding to the average of the last two years of bonuses approved by the Board of Directors. In the event of a change of

control of the Corporation, Mr. Mailhot is entitled to receive payment in an amount equal to twice his annual compensation. The amount that would have been payable to Mr. Mailhot if a change of control had taken place on March 31, 2020 is \$629,004 and the amount that he would have been entitled to receive if the Corporation had terminated his employment without reasonable cause as at March 31, 2020 is \$314,502.

#### *Employment Agreement with Robert Desautels*

The Corporation has entered into an employment agreement for an indeterminate term with Robert Desautels, Chief Technology Officer of the Corporation. In addition to his base salary, Mr. Desautels is eligible to receive a performance bonus calculated as a percentage of his annual base salary and tied to attaining objectives which are determined on an annual basis. Mr. Desautels' remuneration is reviewed annually by the President of the Corporation and approved by the CCGC. Pursuant to his employment agreement, Mr. Desautels has given, among other things, a non-disclosure undertaking to the Corporation. In the event of the termination of Mr. Desautels' employment without reasonable cause, he is entitled to receive payment in an amount equal to one month of his base salary per completed year of service plus an amount corresponding to the average of the last two years in proportion to the number of months of his leave period, for a maximum total compensation of twelve months. In the event of a change of control of the Corporation, Mr. Desautels is entitled to receive payment in an amount equal to his annual compensation, that is, his base salary for the current year plus an amount corresponding to the average of the last two years of bonuses approved by the Board of Directors. The amount that would have been payable to Mr. Desautels if a change of control had taken place on March 31, 2020 is \$252,210 and the amount that he would have been entitled to receive if the Corporation had terminated his employment without reasonable cause as at March 31, 2020 is \$126,105.

#### *Employment Agreement with Yannick Gemme*

The Corporation has entered into an employment agreement for an indeterminate term with Yannick Gemme, Vice President, Sales of the Corporation. In addition to his base salary, Mr. Gemme is eligible to receive a performance bonus calculated as a percentage of his annual base salary and tied to attaining objectives which are determined on an annual basis. Mr. Gemme's remuneration is reviewed annually by the President of the Corporation and approved by the CCGC. Pursuant to his employment agreement, Mr. Gemme has given, among other things, a non-disclosure undertaking to the Corporation. In the event of the termination of Mr. Gemme's employment by the Corporation without reasonable cause, he is entitled to receive payment in an amount equal to his annual compensation, that is, his base salary for the current year plus an amount corresponding to the average of the last two years of bonuses approved by the Board of Directors. In the event of a change of control of the Corporation, Mr. Gemme is entitled to receive payment in an amount equal to one and a half times his annual compensation. The amount that would have been payable to Mr. Gemme if a change of control had taken place on March 31, 2020 is \$330,212 and the amount that he would have been entitled to receive if the Corporation had terminated his employment without reasonable cause as at March 31, 2020 is \$220,141.

### **Director Compensation**

The independent directors of the Corporation are compensated as follows:

- during the last two fiscal years, independent directors received Options in respect of 40,000 Class A common shares every year, except the Chair of the Board who received Options in respect of 80,000 Class A common shares every year. Options granted to independent directors vest in equal proportions over a three-year period;
- some independent directors received DSUs as part of the Corporation's long-term incentive compensation arrangement for its independent directors. The CCGC will make recommendations to the Board of Directors on the number of DSUs, if any, to be granted yearly to each independent director based on, among other factors, general market and economic conditions, the performance of the Corporation, the time devoted by the independent directors for their respective roles as director or member of any committee of the Board of Directors, peer group comparisons as well as recruitment, retention and motivation considerations. During the fiscal year ended March 31, 2020, the Corporation did not grant any DSUs pursuant to the DSU Plan to its NEOs nor its directors;
- during the fiscal year ended March 31, 2020, the Chair of the Board of Directors received an annual fee of \$35,000 while the other independent directors received annual fees of \$16,500;
- the Chair of each Board of Directors' Committee receives fees in an amount of \$8,000 per year; and

- independent directors receive meeting fees of \$1,000 per day for each meeting of the Board of Directors and for each meeting of a Board of Directors' Committee; such amount is reduced to \$750 for meetings in which the director participates by telephone.

#### Share Ownership Policy

On February 12, 2020, the Board of Directors has adopted a share ownership policy to align the interests of directors with those of shareholders. Pursuant to such policy, non-executive directors have a maximum period of three (3) years to acquire common shares of the Corporation having a value, at the time of acquisition, equal to one (1) time their annual fees (excluding meeting fees) as at February 12, 2020. New directors will have a maximum period of three (3) years from the date of their election or appointment to comply with the share ownership policy and acquire common shares of the Corporation having a value, at the time of acquisition, equal to one (1) time the annual fee (excluding meeting fees) payable to directors as at the date of their election or appointment. Common Shares as well as “in-the-money” vested options, DSUs, RSUs or similar types of equity-based awards available under the Corporation’s long-term incentive plans, count towards meeting the share ownership policy.

As at August 3, 2020, Jean-René Halde, Louis P. Bernier, Denis Chamberland, Robert Copple and Luc Martin have met the share ownership policy described above.

The following table sets out the details of the compensation of the independent directors of the Corporation for the fiscal year ended March 31, 2020:

Name	Fees earned <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(3)</sup> (\$)	Non-equity incentive plan compensation <sup>(4)</sup> (\$)	Pension value <sup>(5)</sup> (\$)	All other compensation <sup>(6)</sup> (\$)	Total <sup>(7)</sup> (\$)
Jean-René Halde	45,879	—	11,200	n/a	n/a	n/a	57,079
Louis P. Bernier	37,375	—	5,600	n/a	n/a	n/a	42,975
Brigitte Bourque	31,625	—	5,600	n/a	n/a	n/a	37,225
Denis Chamberland <sup>(8)</sup>	3,596	—	2,400	n/a	n/a	n/a	5,996
Robert Copple	27,375	—	5,600	n/a	n/a	n/a	32,975
Luc Martin <sup>(9)</sup>	3,596	—	2,400	n/a	n/a	n/a	5,996
Gary M. Collins <sup>(10)</sup>	31,579	6,800	—	n/a	n/a	n/a	38,379
Élaine Cousineau Phénix <sup>(11)</sup>	23,805	10,400	—	n/a	n/a	n/a	34,205
<b>Total</b>	<b>204,830</b>	<b>17,200</b>	<b>32,800</b>	n/a	n/a	n/a	<b>254,830</b>

- (1) This amount represents the annual fees earned by each of the directors.
- (2) The Board of Directors adopted the DSU Plan on June 21, 2016, which forms part of the Corporation’s long-term incentive compensation arrangements available for NEOs and the independent directors of the Corporation.
- (3) This column discloses the total value of Options at the time of grant. **These figures do not reflect the current value of the Options or the value, if any, that may be realized if and when the Options are exercised.** The value of the option awards was calculated using the Black-Scholes option-pricing model using the same assumptions used for determining the equity-based compensation expense in the Corporation’s financial statements for the fiscal years ended March 31, 2020 and 2019 in accordance with IFRS 2. These assumptions are:

	Fiscal year 2020		Fiscal year 2019	
	February 17, 2020	August 12, 2019	February 21, 2019	December 17, 2018
Exercise price:	\$0.08	\$0.14	\$0.16	\$0.19
Risk-free interest rate:	1.37%	1.20%	1.84%	1.99%
Expected life of Options:	5.0 years	6.6 years	6.7 years	6.7 years
Expected volatility factor:	62.14%	65.80%	64.90%	65.80%
Dividend yield:	0%	0%	0%	0%
Forfeiture rate:	7.53%	7.29%	6.36%	6.16%
Fair value of granted Options:	\$0.05	\$0.08	\$0.10	\$0.12

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

- (4) The Corporation did not have a non-equity incentive plan at the end of the fiscal year ended March 31, 2020.
- (5) The Corporation does not have a pension plan.
- (6) The Corporation does not offer any other type of compensation to the directors.
- (7) **The total compensation value does not represent the real cash compensation earned by the independent directors during the fiscal year ended March 31, 2020.**
- (8) Denis Chamberland was appointed as a director of the Corporation on February 12, 2020.
- (9) Luc Martin was appointed as a director of the Corporation on February 12, 2020.

(10) Gary M. Collins resigned as a director of the Corporation on February 12, 2020.

(11) Éline Cousineau Phénix ceased to be a director of the Corporation at the last annual meeting of the shareholders of the Corporation held on August 7, 2019.

### Incentive Plan Awards

The following table sets out the details of all Options held by the independent directors of the Corporation within the meaning of National Instrument 52-110 *Audit Committees* as at March 31, 2020, the end of the Corporation's last fiscal year:

Name	Option-Based Awards				Share-Based Awards <sup>(2)</sup>		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested <sup>(3)</sup> (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid or Distributed <sup>(3)</sup> (\$)
Jean-René Halde	80,000	0.31	January 15, 2028	—	—	—	—
	80,000	0.19	December 17, 2028	—			
	80,000	0.14	August 12, 2029	—			
Louis P. Bernier	40,000	0.27	August 13, 2024	—	—	—	2,880
	50,000	0.33	August 14, 2027	—			
	40,000	0.19	December 17, 2028	—			
	40,000	0.14	August 12, 2029	—			
Brigitte Bourque	40,000	0.16	February 21, 2029	—	—	—	—
	40,000	0.14	August 12, 2029	—			
Denis Chamberland <sup>(4)</sup>	30,000	0.08	February 17, 2025	—	—	—	—
Robert Copple	50,000	0.33	August 14, 2027	—	—	—	—
	40,000	0.19	December 17, 2028	—			
	40,000	0.14	August 12, 2029	—			
Luc Martin <sup>(5)</sup>	30,000	0.08	February 17, 2025	—	—	—	—

(1) This column sets out the aggregate value of in-the-money unexercised options as at March 31, 2020, calculated based on the difference between the market price of the Class A common shares underlying the Options as at March 31, 2020 (\$0.05), the last trading day in the fiscal year ended March 31, 2020, and the exercise price of the Options.

(2) The Board of Directors adopted a Deferred Share Unit Plan on June 21, 2016, which forms part of the Corporation's long-term incentive compensation arrangements available for Named Executive Officers and the independent directors of the Corporation.

(3) These amounts are equal to the number of DSUs granted multiplied by volume weighted average trading price of the Class A common shares on the TSX for the five (5) consecutive trading days ended March 31, 2020 (\$0.036). These amounts do not reflect the current value of the DSUs or the value, if any, that may be received when the DSUs are settled. The vested DSUs are payable upon the termination date of the independent director.

(4) Denis Chamberland was appointed as a director of the Corporation on February 12, 2020.

(5) Luc Martin was appointed as a director of the Corporation on February 12, 2020.

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

The following table sets out, for each independent director, the value of option-based awards and share-based awards which vested during the fiscal year ended March 31, 2020 and the value of non-equity incentive plan compensation earned during the fiscal year ended March 31, 2020:

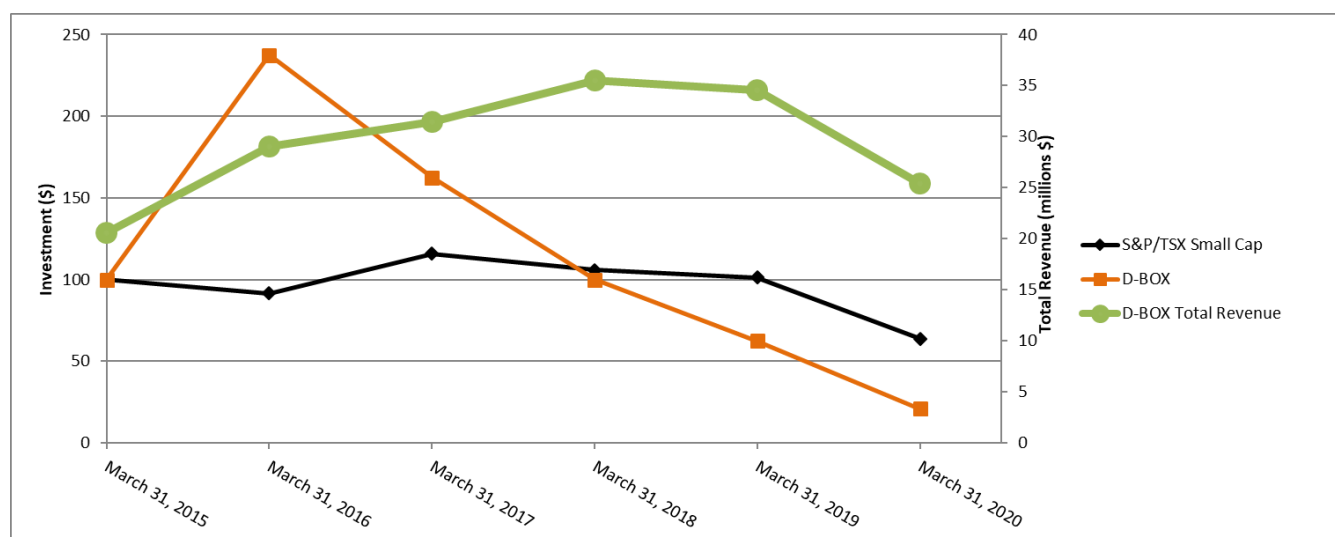
Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Jean-René Halde	—	—	n/a
Louis P. Bernier	—	—	n/a
Brigitte Bourque	—	—	n/a
Denis Chamberland <sup>(3)</sup>	—	—	n/a
Gary M. Collins <sup>(4)</sup>	—	—	n/a
Robert Copple	—	—	n/a
Luc Martin <sup>(5)</sup>	—	—	n/a

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Élaine Cousineau Phénix	—	—	n/a

- (1) Calculated based on the difference between the market price of the shares underlying the Options at the vesting date and the exercise price of the Options on such vesting date.
- (2) The Board of Directors adopted the DSU Plan on June 21, 2016, which forms part of the Corporation’s long-term incentive compensation arrangements available for Named Executive Officers and the independent directors of the Corporation.
- (3) Denis Chamberland was appointed as a director of the Corporation on February 12, 2020.
- (4) Gary M. Collins resigned as a director of the Corporation on February 12, 2020.
- (5) Luc Martin was appointed as a director of the Corporation on February 12, 2020.

## Performance Graph

The line graph below sets out the cumulative total shareholder return over the five most recently-completed financial years of the Corporation, assuming that \$100 was invested at the closing price on March 31, 2015, compared with the cumulative total return of the same amount invested in the S&P / TSX SmallCap Index since March 31, 2015 (assuming all dividends are reinvested). This graph also illustrates the notable upward trend of the Corporation’s total revenue during the same period.



	March 31, 2015	March 31, 2016	March 31, 2017	March 31, 2018	March 31, 2019	March 31, 2020
<b>S&amp;P/TSX SmallCap</b>	\$100	\$91.58	\$115.84	\$105.70	\$101.23	\$63.72
<b>D-BOX</b>	\$100	\$237.50	\$162.50	\$100.00	\$62.50	\$20.83
<b>D-BOX Total Revenue</b>	\$20,588,000	\$29,042,000	\$31,409,000	\$35,478,000	\$34,515,000	\$25,382,000

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

It is also important to note that the trading price of the Corporation’s shares depends on several factors that are beyond the Corporation’s control, such as investors’ perceptions in relation to the future of the Corporation’s industry and unfavorable economic conditions, to only name a few. In March 2020, in the wake of the COVID-19 pandemic fallout, its impact on the Corporation’s business, and health and safety government orders, D-BOX proceeded with the temporary layoff of a significant portion of its workforce and a reduction of the compensation and hours of the remaining workforce. Management and the Board of Directors have chosen to reduce their compensation during the pandemic. The local and national

governments response to the COVID-19 pandemic led to a mandatory temporary shutdown of D-BOX headquarters located in Canada, as well as its offices in California and Beijing (China), and caused a significant reduction of the demand for D-BOX's products which adversely affected its activities, revenues, financial position, market capitalization and operating results.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out certain details as at March 31, 2020, the end of the Corporation's last fiscal year, with respect to compensation plans pursuant to which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of shares remaining available for future issuance under the Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans previously approved by shareholders	14,533,289	\$0.24	3,061,768
Equity compensation plans not previously approved by shareholders	n/a	n/a	n/a

The Options referred to in the table above were granted pursuant to the 2015 Plan and the 2011 Plan.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at August 3, 2020, none of the executive officers, directors, nominees for election as director, employees or former executive officers, directors or employees of the Corporation or any of its subsidiaries were indebted to the Corporation or any of its subsidiaries and, as at the same date, the indebtedness, if any, of such persons to other entities was not the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any subsidiary thereof.

None of the: (i) persons who are or who were, at any time during the fiscal year ended March 31, 2020, directors or executive officers of the Corporation; (ii) proposed nominees for election as a director of the Corporation; or (iii) associates of any such director, executive officer or proposed nominee, were, at any time during the fiscal year ended March 31, 2020, indebted to: (a) the Corporation or any of its subsidiaries; or (b) another entity, if such indebtedness has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any subsidiary thereof, other than "routine indebtedness" as defined in National Instrument 51-102 *Continuous Disclosure Obligations*.

### **AUDIT COMMITTEE INFORMATION**

Reference is made to the section entitled "Audit Committee" of the Corporation's Annual Information Form for the fiscal year ended March 31, 2020 for required disclosure relating to the Audit Committee. The Annual Information Form is available on SEDAR at [www.sedar.com](http://www.sedar.com) and can be obtained by contacting the Vice President, Legal Affairs of the Corporation at 2172 de la Province Street, Longueuil, Québec, J4G 1R7, or by telephone at 450-442-3003.

### **APPOINTMENT AND REMUNERATION OF AUDITORS**

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

## CONSOLIDATION OF SHARES

As at August 3, 2020, there were 175,950,573 issued and outstanding Class A common shares of the Corporation. The Corporation considers that without a share consolidation, it may be more difficult for the Corporation to effect future financings.

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

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

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

The principal effect of the Share Consolidation will be that the number of Class A common shares issued and outstanding will be reduced from 175,950,573 Class A common shares as of August 3, 2020 to between 87,975,286 and 17,595,057 Class A common shares, depending on the ratio selected by the Board of Directors. The following table sets out the percentage reduction in the number of outstanding Class A common shares and the number of Class A common shares that would be outstanding as a result of a consolidation at the ratios indicated:

Proposed Consolidation Ratio	Percentage Reduction in Number of Outstanding Class A Common Shares	Number of Outstanding Class A Common Shares Post-Consolidation
1 for 2	50%	87,975,286
1 for 5	80%	35,190,114
1 for 10	90%	17,595,057

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

There can be no assurance, however, that the total market capitalization of the Corporation (the aggregate value of all Class A common shares at the market price then in effect) immediately after the Share Consolidation will be equal to or greater than the total market capitalization immediately before the Share Consolidation. In addition, there can be no assurance that the per-share market price of the Class A common shares following the Share Consolidation will equal or exceed the direct arithmetical result of the Share Consolidation. In addition, a decline in the market price of the Class A common shares after the Share Consolidation may result in a greater percentage decline than would occur in the absence of a Share Consolidation and the liquidity of the Class A common shares could be adversely affected.



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

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

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

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

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

To the best of the Corporation’s knowledge, no informed person of the Corporation, and no associate or affiliate of any such person, at any time since April 1, 2019, has or had any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction since April 1, 2019 that has materially affected the Corporation, in any proposed transaction that could materially affect the Corporation, or in any matter to be acted upon at this Meeting.

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

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

#### **SHAREHOLDER PROPOSALS**

The *Canada Business Corporations Act* provides, in effect, that a registered holder or beneficial owner of shares that is entitled to vote at an annual meeting of the Corporation may submit to the Corporation notice of any matter that the person proposes to raise at the meeting (referred to as a “**Proposal**”) and discuss at the meeting any matter in respect of which the person would have been entitled to submit a Proposal. The *Canada Business Corporations Act* further provides, in effect, that the Corporation must set out the Proposal in its management proxy circular along with, if so requested by the person who makes the Proposal, a statement in support of the Proposal by such person. However, the Corporation will not be required to set out the Proposal in its management proxy circular or include a supporting statement if, among other things, the Proposal is not submitted to the Corporation at least 90 days before the anniversary date of the notice of meeting that was sent to the shareholders in connection with the previous annual meeting of shareholders of the Corporation. As the notice in connection with the Meeting is dated August 3, 2020, the deadline for submitting a proposal to the Corporation in connection with the next annual meeting of shareholders is May 5, 2021.

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

## CORPORATE GOVERNANCE PRACTICES

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

### 1. Board of Directors

The Board of Directors considers that Jean-René Halde, Louis P. Bernier, Brigitte Bourque, Denis Chamberland, Robert Copple and Luc Martin are independent within the meaning of National Instrument 52-110 *Audit Committees*.

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

Meetings of the Board of Directors are chaired by its Chair, an independent director. The independent members of the Board of Directors meet without the non-independent director and members of management present. The independent directors met without any member of management and the non-independent directors at least five times in the past year. Independent directors may also communicate with each other through various technological means as required, without non-independent directors and members of management participating.

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

During the period from April 1, 2019 to March 31, 2020, the Board of Directors held eight (8) meetings, the Audit Committee held four (4) meetings and the CCGC held eight (8) meetings. The following table sets out the number of meetings of the Board of Directors and Board committees attended by the directors:

Name	Number of Board of Directors Meetings Attended	Number of Committee Meetings Attended	Total Number of Meetings Attended
Jean-René Halde	8 / 8: 100%	4 / 4: 100%	12 / 12: 100%
Louis P. Bernier	8 / 8: 100%	8 / 8: 100%	16 / 16: 100%
Brigitte Bourque	8 / 8: 100%	10 / 10: 100%	18 / 18: 100%
Denis Chamberland <sup>(1)</sup>	2 / 2: 100%	1 / 1: 100%	3 / 3: 100%
Gary M. Collins <sup>(2)</sup>	6 / 6: 100%	7 / 7: 100%	13 / 13: 100%
Robert Copple	8 / 8: 100%	4 / 4: 100%	12 / 12: 100%
Luc Martin <sup>(3)</sup>	2 / 2: 100%	n/a	2 / 2: 100%
Claude Mc Master	7 / 7: 100%	n/a	7 / 7: 100%
Élaine Cousineau Phénix <sup>(4)</sup>	3 / 3: 100%	2 / 2: 100%	5 / 5: 100%

(1) Denis Chamberland was appointed as a director of the Corporation on February 12, 2020.

(2) Gary M. Collins resigned as director of the Corporation effective February 12, 2020.

(3) Luc Martin was appointed as a director of the Corporation on February 12, 2020.

(4) Élaine Cousineau Phénix ceased to be a director of the Corporation at the last annual meeting of the shareholders of the Corporation held on August 7, 2019.

## 2. Directorships

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

Name of Director	Issuer
Jean-René Halde	The Toronto-Dominion Bank Group
Luc Martin	BTB Real Estate Investment Trust; Richelieu Hardware

## 3. Orientation and Continuing Education

Generally, the CCGC is responsible for the adoption of the policies of the Corporation relating to the orientation of new directors and the continuing education of existing directors. The Corporation encourages new directors to meet with members of management in order to learn about the Corporation's organizational culture and to familiarize themselves with the policies and practices that are in place. The Corporation intends to provide more continuing education for the directors by, among other initiatives, inviting guests to lecture them on various topics that are relevant to the directors' duties. Upon appointment of any candidate as a director, the Board of Directors will ensure that the candidate possesses the appropriate skills and knowledge to fulfill his or her obligations as a director. The Board of Directors will ensure that directors contribute to the growth of the Corporation through their positive experience as a director or senior executive with other public companies, through their expertise in the Corporation's areas of activity, through their financial and strategic development skills, or through their experience in corporate governance and regulatory compliance.

## 4. Ethical Business Conduct

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

The Code of Ethics is available on the Corporation's website at [www.d-box.com](http://www.d-box.com) and under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com). For any question regarding the Code of Ethics, directors and the Chief Executive Officer may contact the Chair of the Board of Directors or the Chair of the CCGC, and senior officers and employees of the Corporation may contact the Vice President, Legal Affairs.

Each employee receives a copy of the Code of Ethics on an annual basis, with proof of receipt. New directors receive a copy of the mandates and policies, and directors are encouraged to consult them as required.

Internal control procedures are reviewed annually by an independent consultant.

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

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

## 5. Nomination of Directors

The CCGC is responsible for recommending potential new directors and assessing the performance and contribution of directors. Louis P. Bernier, Brigitte Bourque and Denis Chamberland, the three members of the CCGC, are all independent directors within the meaning of National Instrument 52-110 *Audit Committees*.

At all times, the Corporation seeks to maintain a Board of Directors comprised of talented and dedicated directors with a diverse mix of experience, skills and backgrounds collectively reflecting the strategic needs of the business and the nature of the environment in which the Corporation operates. The Corporation benefits from the directors' contributions in various fields such as sales, marketing, corporate governance, human resources, finance, strategic development and regulatory compliance.

When assessing the Board of Directors composition or identifying suitable candidates for appointment or re-election to the Board of Directors, the Corporation will consider candidates using objective criteria having due regard to the benefits of diversity and the needs of the Board of Directors. For purposes of this policy, diversity includes business experience, geography, age, gender, sexual orientation and other personal characteristics such as being a member of visible minorities, Aboriginal peoples and persons with disabilities.

The Board of Directors is required to report annually to shareholders on the diversity of its directors, including the number and percentage of women directors and the number and percentage of directors who are members of each of the “**Designated Groups**” as defined in the Employment Equity Act (in general terms, women, visible minorities, Aboriginal peoples and persons with disabilities).

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

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

### Policies Regarding the Representation of Women and Members of the Designated Groups on the Board of Directors

The Corporation believes promotion of diversity is best served through careful consideration of all of the knowledge, experience, skills and backgrounds of each individual candidate for director in light of the needs of the Board without focusing on a single diversity characteristic and, accordingly, has not adopted specific Board of Directors diversity goals.

When assessing the composition of the Board, the principal focus is on ensuring that the Board of Directors has the diverse experiences, skills and backgrounds needed to oversee collectively the business of the Corporation and the Corporation takes a balanced approach when considering the extent to which personal characteristics are taken into account. The Board of Directors seeks to maintain diversity in the membership of its committees and in Board of Directors leadership roles, and will consider diversity when assigning chair roles for the Board of Directors and its committees.

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

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

### Consideration Given to the Representation of Women and Members of the Designated Groups in Executive Officer Appointments

When the Board of Directors selects candidates for executive officer positions, it considers not only the qualifications, personal qualities, business background and experience of the candidates, it also considers the composition of the group of nominees, to best bring together a selection of candidates allowing the Corporation's management to perform efficiently and act in the best interest of the Corporation and its shareholders. The Corporation considers the presence of women and members of the Designated Groups on its executive team as an added value.

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

While the Corporation considers candidates based on their qualifications, personal qualities, business background and experience, it will attempt to target a twenty-five percent (25%) to thirty-five percent (35%) representation of women and members of the Designated Groups on the Board of Directors. The Corporation has not adopted a "target" number or percentage regarding women or members of the Designated Groups in executive or senior management positions. As previously stated, the Corporation considers candidates based on their qualifications, personal qualities, business background and experience, and does not feel that targets necessarily result in the identification or selection of the best candidates.

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

At present, there is one (1) woman on the Board of Directors of the Corporation, representing 14 % of the members of the Board of Directors, and none of the Corporation's executive officers, as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, are women or members of the Designated Groups.

## **6. Compensation**

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

## **7. Other Board Committees**

The only standing committees constituted by the Board of Directors are the Audit Committee and the CCGC.

The CCGC is responsible for corporate and governance matters which include the following responsibilities:

- (a) overseeing the use of key principles and guidelines relating to corporate governance that are relevant to the Corporation, as regards the: (i) size and composition of the Board of Directors; (ii) orientation of new directors; (iii) continuous education of directors; (iv) compensation and the term of directors' mandates; (v) evaluation from time to time of the performance of the Board of Directors, its committees and individual directors, and (vi) description of the role of each director, as well as the qualifications and skills that each director should bring to the Board of Directors;
- (b) overseeing that the Board of Directors and management respect practices and procedures that are designed to ensure compliance with all applicable laws and ethical standards, including the adoption of policies and corporate procedures and the adoption of a written code of business and ethical conduct that is applicable to directors, officers and employees of the Corporation and which is designed to promote and foster integrity and deter inappropriate action or wrongdoing;
- (c) recommending candidates for election or appointment to the Board of Directors, including examining any nominees recommended by shareholders; and
- (d) to the extent possible, satisfying itself as to the integrity of the senior management of the Corporation such that the senior officers create a culture of integrity throughout the Corporation.

## 8. Assessments

The CCGC will ensure regular assessment of the effectiveness and contribution of the Board of Directors, the Board of Directors' committees and the individual directors. The recommendations resulting from this evaluation process are submitted to the Chair of the Board of Directors in order to allow him to take measures that are necessary or advisable in this regard.

### ADDITIONAL INFORMATION

Financial information about the Corporation is contained in its comparative consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended March 31, 2020, and additional information about the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

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

- (a) the comparative consolidated financial statements of the Corporation for the fiscal year ended March 31, 2020 together with the accompanying report of the auditors thereon and any interim financial statements of the Corporation for periods subsequent to March 31, 2020 and Management's Discussion and Analysis with respect thereto; and
- (b) this Circular,

please send your request to:

D-BOX Technologies Inc.  
Attention : Daniel Le Blanc  
Vice President, Legal Affairs and Corporate Secretary  
2172 de la Province Street  
Longueuil, Québec J4G 1R7

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

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

### OTHER MATTERS

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

### AUTHORIZATION

DATED at Longueuil, Québec  
August 3, 2020

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

*(signed) Jean-René Halde*

Jean-René Halde  
Chair of the Board of Directors

**SCHEDULE A**

**SHAREHOLDERS' SPECIAL RESOLUTION**

**SHARE CONSOLIDATION**

**BE AND IT IS HEREBY RESOLVED:**

THAT, if and when deemed advisable by the Board of Directors of the Corporation in its discretion, the Articles of the Corporation be amended so that the issued and outstanding Class A common shares of the Corporation are consolidated on the basis of one share for a maximum of every ten Class A common shares then issued and outstanding;

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

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

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