



**NOTICE OF ANNUAL AND SPECIAL MEETING OF
SHAREHOLDERS**

And

**MANAGEMENT INFORMATION CIRCULAR
POSERA LTD.**

Meeting Date:

June 29, 2016

These materials are important and require your immediate attention. They require shareholders of Posera Ltd. to make important decisions. If you are in doubt as to how to make your decisions, please contact your financial, legal, tax or other professional advisors. If you have any questions or require more information with regard to the procedures for voting or completing your proxy or have questions regarding the transactions described in the enclosed Notice of Annual and Special Meeting and Management Information Circular, please contact Kevin Mills, Chief Financial Officer of Posera Ltd. at (416) 703-6462 ext. 2203.

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POSERA LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

The Annual and Special Meeting (the "Meeting") of the shareholders of Posera Ltd. (the "Corporation" or "Posera") will be held at the offices of Gowling WLG (Canada) LLP, Suite 1600, 1 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1G5, on Wednesday, June 29, 2016, at 4:00 p.m. (Eastern Standard Time) for the following purposes:

1. to receive the financial statements of the Corporation for the fiscal year ended December 31, 2015;
2. to elect directors for the ensuing year;
3. to appoint auditors and to authorize the directors to fix their remuneration;
4. to consider and if deemed advisable, to approve a resolution confirming By-Law No. 2, which sets out advance notice requirements for director nominations (see Schedule C of the Management Information Circular accompanying this Notice for the text of the proposed By-Law);
5. to consider and, if deemed advisable, to approve a resolution to amend the terms of the Corporation's 2011 stock incentive option plan;
6. to re-approve the Corporation's 2011 stock incentive option plan as required by the Toronto Stock Exchange; and
7. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

A description of the matters to be submitted to the Meeting is contained in the Management Information Circular accompanying this Notice of Meeting. The 2015 Annual Report, Management Information Circular and a form of Proxy accompany this Notice of Annual and Special Meeting.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is May 25th, 2016. Shareholders of the Corporation whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

The financial statements for the fiscal year ended December 31, 2015 and the audit report are included in the Corporation's 2015 Annual Report.

DATED at Toronto, Ontario this 20th day of May, 2016.

By order of the Board of Directors,

"Loudon Owen"

Loudon Owen
Chairman of the Board of Directors
and Chief Executive Officer

"David Del Chiaro"

David Del Chiaro
Director and Chair of the
Audit Committee

To be valid, the enclosed proxy form must be received by the Corporation, or its transfer agent, TMX Equity Transfer Services, either (1) by mail using the envelope provided, (2) by personal delivery to 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, or (3) by facsimile to (416) 595-9593, in each case to be received no later than 4:00 p.m. (Toronto time), Monday, June 27th, 2016, or be presented at the Meeting.

POSERA LTD.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This Management Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Posera Ltd. (the "Corporation" or "Posera") for use at the Annual and Special Meeting of the shareholders of the Corporation (the "Meeting") to be held at 4:00 p.m. Toronto time, on Wednesday, June 29, 2016, or any adjournment thereof. The cost of solicitation will be borne by the Corporation. It is expected that the solicitation in each case will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation.

The information contained in this Circular is given as at May 20th, 2016 unless otherwise specified.

APPOINTMENT OF PROXY HOLDERS

The persons named in the enclosed proxy form are members of management of the Corporation who have been designated by management to represent shareholders. **A shareholder has the right to appoint some other person (who need not be a shareholder) to represent the shareholder at the Meeting or any adjournment thereof. To exercise this right, the shareholder may strike out the printed names and insert the name of the shareholder's chosen proxy in the blank space provided in the proxy form for that purpose or complete another form of proxy.**

VALIDITY OF PROXIES

To be valid, the enclosed proxy form must be deposited with the Corporation's transfer agent and registrar, TMX Equity Transfer Services, either (1) by mail using the envelope provided, (2) by personal delivery to 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, or (3) by facsimile to (416) 595-9593, in each case to be received no later than 4:00 p.m. (Toronto time), Monday, June 27th, 2016, or be presented at the Meeting.

REVOCATION OF PROXIES

Any shareholder who has returned a proxy may revoke it by depositing an instrument in writing executed by the shareholder, or by the shareholder's attorney authorized by the shareholder in writing to do so, with the Secretary of the Corporation, at 350 Bay Street, Suite 700, Toronto, Ontario M5H 2S6 to be received before 4:00 p.m., Toronto time, on the second last business day preceding the date of the Meeting or any adjournment thereof or, as to any matter upon which a vote has not already been cast pursuant to the authority conferred by such proxy, with the chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares owned by a person (a "non-registered shareholder" or a "beneficial owner") are registered either (a) in the name of an intermediary (an "Intermediary") that the non-registered shareholder deals with in respect of the shares. Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed retirement plans and similar plans); or (b) in the name of a clearing agency (such as Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant.

Canadian securities laws permit reporting companies, such as the Corporation, and other persons and companies to send materials related to the affairs of the reporting company directly to beneficial owners of the reporting company's securities if the beneficial owner does not object ("non-objecting beneficial owner" or "NOBO") to having beneficial ownership information, consisting of name, address, electronic mail address, securities holdings and preferred language of communication disclosed to the reporting company or other persons and companies, unless the shareholder has waived the right to receive proxy materials.

The Corporation has appointed its registrar and transfer agent, TMX Equity Transfer Services to send proxy materials to, and seek voting instructions from, NOBOs of the Corporation's securities.

If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary who holds your shares on your behalf.

If a NOBO wishes to vote at the Meeting in person, the NOBO should appoint him/herself as a proxyholder by striking out the printed name in the proxy and inserting his/her own name in the space provided, and otherwise following TMX Equity Transfer Services instructions. NOBOs should carefully follow TMX Equity Transfer Services instructions regarding when and where the proxy is to be delivered.

Intermediaries will send proxy materials to and seek voting instructions from beneficial owners who object ("objecting beneficial owner" or "OBO") to having beneficial ownership information, consisting of name, address, electronic mail address, securities holdings and preferred language of communication disclosed to the reporting company or other persons and companies, unless the shareholder has waived the right to receive proxy materials.

Each Intermediary has its own procedures that must be carefully followed. If an OBO wishes to vote at the Meeting by proxy, the OBO must follow the instructions of the Intermediary, including those regarding when and where the voting instructions or proxy form is to be delivered. If an OBO wishes to vote at the Meeting in person, the OBO should appoint him/herself as a proxyholder by striking out the printed name in the request for voting instructions or proxy form and inserting his/her own name in the space provided, and otherwise following the instruction of the Intermediary. OBOs should carefully follow the instructions of their Intermediary including those regarding when and where the voting instruction or proxy form is to be delivered.

VOTING SHARES

A record date of May 25th, 2016 (the "Record Date") has been set as the record date for determining the shareholders entitled to receive notice of and to vote at the Meeting. Only holders of the Corporation's common shares (the "Common Shares") of record at the close of business on May 25th, 2016 shall be entitled to vote at the Meeting or any adjournment thereof. At the Record Date, 75,837,706 Common Shares were outstanding, each of which entitles the holder to one vote at the Meeting.

MANNER OF VOTING AND TABULATING PROXIES

The persons named in the enclosed proxy form must vote in accordance with any instructions made on the proxy form. **In the absence of any instructions, the persons named in the enclosed proxy form, if named as proxy, will vote FOR all matters to be acted upon at the Meeting as set out in the Notice of Meeting.**

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **However, if other matters which are not now known to management should properly come before the Meeting or if amendments or variations to the matters referred to in the Notice of Meeting are presented for action at the Meeting, the persons named in the enclosed proxy form have discretionary authority to vote on such matters in accordance with their best judgment.** Proxies will be counted and tabulated by TMX Equity Transfer Services in such a manner as to preserve the confidentiality of individual shareholder votes, except that the Corporation will have access to proxies as necessary to meet applicable legal requirements in the event of a proxy contest, or when those proxies contain written comments or questions from shareholders which are clearly intended to be drawn to the attention of management and/or the directors.

PRINCIPAL HOLDERS OF VOTING SHARES

To the knowledge of the directors and officers of the Corporation, as at May 20th, 2016, no person, beneficially owned, directly or indirectly, or exercised control or direction over Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. FINANCIAL STATEMENTS

The financial statements for the fiscal year ended December 31, 2015 are included in the Corporation's 2015 Annual Report, made available to the shareholders with the Notice of Meeting and this Circular. The financial statements are also available in the Investor Relations section of the Corporation's website at www.posera.com and on the SEDAR website at www.sedar.com

2. ELECTION OF DIRECTORS

The Corporation's board of directors (the "Board") is a variable board consisting of not fewer than three and not more than ten directors. The articles of the Corporation authorize the Board to fix the number of the board subject to the requirements of the Business Corporations Act (Ontario) (the "OBCA"). The board has determined that the number of directors constituting the board is set at six. Accordingly, shareholders will be asked to elect six directors at the Meeting.

All six nominees are currently members of the Board and have been since the dates indicated below. Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the next annual meeting or until his successor is appointed, unless his office is earlier vacated in accordance with the OBCA and the by-laws of the Corporation.

Unless a shareholder has specified in the enclosed form of proxy that the shares represented by such proxy are to be withheld from voting, proxies in favour of the management nominees will be voted for the election of all of the nominees whose names are set forth below.

On May 9, 2014 the Board adopted a policy, which requires that any nominee for director who receives a greater number of votes "withheld" than votes "for" his or her election will be required to tender his or her resignation. This policy applies only to uncontested elections, which are elections in which the number of nominees for director is equal to the number of positions available on the Board. The Human Resources, Corporate Governance and Nominating Committee ("HRGC&N") will consider the director's resignation and will recommend to the Board of Directors whether or not to accept it. The HRGC&N will be expected to recommend accepting the resignation, except in situations where extenuating

circumstances would warrant the applicable director to continue to serve on the Board. The Board will act on the HRGC&N's recommendation within 90 days following the applicable annual meeting and will promptly disclose by press release its decision whether to accept the director's resignation, including the reasons for rejecting the resignation, if applicable.

The following information is submitted with respect to the nominees for directors:

Name and municipality of residence	Present principal occupation	Year first became director	Common Shares beneficially owned, directly or indirectly, or controlled or directed	Number of options held
Paul Fornazzari ⁽²⁾ Toronto, Ontario	Partner of Fasken Martineau DuMoulin LLP	June 2009 ^(3,4)	Nil	455,820
Loudon Owen Toronto, Ontario	CEO of the Corporation and Managing Partner of McLean Watson Capital Inc.	June 2006 ^(3,4)	44,117	873,259
Michael Brown ⁽¹⁾ Toronto, Ontario	Independent Consultant	October 2011 ⁽⁴⁾	Nil	292,763
David Del Chiaro ⁽¹⁾⁽²⁾ Forest, Ontario	Independent Consultant	October 2011 ⁽⁴⁾	1,068,000	444,357
Gary Figueira ⁽¹⁾ Toronto, Ontario	Independent Consultant	October 2011 ⁽⁴⁾	Nil	292,763
Edwin Nordholm ⁽⁵⁾ Toronto, Ontario	President of Liberty Street Capital Corp.	N/A	Nil	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Human Resources, Corporate Governance and Nominating Committee
- (3) Date reflects the date the director first became a director of Posera Ltd. or its predecessor.
- (4) All directors first became directors of Posera Ltd. on October 7, 2011, Messrs. Brown, Del Chiaro and Figueira were not previously on the board of Posera-HDX Inc.
- (5) Prospective director per the May 20th, 2016 Information Circular.

The following are brief profiles of the proposed directors of Posera Ltd., including a brief description of each individual's principal occupation within the past five years and includes information on directorships of other reporting issuers:

Paul Fornazzari - Director

Mr. Fornazzari is a partner in Fasken Martineau DuMoulin LLP's. He practices corporate and securities law with an emphasis on mergers and acquisitions, corporate finance and regulatory matters. Mr. Fornazzari has acted for domestic and foreign clients in various industries, including mining, petroleum, technology and financial services. Mr. Fornazzari earned a law degree at the University of Windsor and was called to the Ontario BAR in 1996 and completed an LLM degree in securities law at Osgoode Hall Law School in 2002.

Loudon Owen – CEO and Director

Mr. Owen is a venture capitalist, international businessman, and lawyer. His career has spanned more than 25 years, during which he has both led and actively participated in the growth of a host of successful businesses, in addition to extensive charitable and non-profit activities. He is Managing Partner of

McLean Watson Capital Inc., a venture capital firm. Mr. Owen currently serves on the boards of the following reporting issuers: Khan Resources Inc. (TSX), Genesis Land Development Corp. (TSX), Kilo Goldmines Ltd. (TSX Venture Exchange and Frankfurt Exchange) and Aureus Mining Inc. (TSX and AIM), Mr. Owen holds a BA from the University of Toronto, a JD from Osgoode Hall Law School, Toronto and an MBA from INSEAD.

Michael Brown - Director

Mr. Brown is President of Capital Markets Advisory. Previously, he held positions with Macquarie Bank of Australia as President and CEO of Macquarie North America, and then as Vice Chairman. Prior to that, he was a Managing Partner with Gordon Capital Corporation, responsible for mining investment banking, and previously was head of equity research and an analyst with Deutsche Morgan Grenfell Canada. He has served as a member of the List Committee of the Toronto Stock Exchange and as a Governor of the Exchange. He is a Chartered Financial Analyst and registered Professional Engineer. Michael Brown is an advisor to Crystallex International Corporation.

David Del Chiaro – Director

Mr. Del Chiaro built and operated grocery stores from 1983 to 2009 and was a director on the board of the Canadian Federation of Independent Grocers for many years, serving on the Executive and as Chairman. Mr. Del Chiaro served on the board of the Peoples Telephone Corporation for eight years until its sale in 2006. Mr. Del Chiaro also served on the board of the Agriculture Adaptation Council of Canada. Mr. Del Chiaro has been involved in several businesses and is currently developing retail commercial properties in Ontario.

Gary Figueira - Director

Mr. Figueira has retired as the Business Unit Executive for IBM's Retail Systems Division for Canada and the English speaking Caribbean. In this position he was responsible for IBM's sales, marketing and support teams in these areas. Previously he was General Manager for Siemens Pyramid Canada and Director of Retail Systems for NCR Canada, with similar responsibilities as above.

Edwin Nordholm – Director

Mr. Nordholm is a business lawyer with extensive experience in corporate finance, mergers and acquisitions transactions and corporate restructuring. As a former partner in Torys LLP, a prominent Toronto-based law firm, Mr. Nordholm advised a variety of clients with respect to public and private financings, cross-border acquisitions and divestitures, auction transactions, going-private and related party transactions, debt acquisitions, bridge lending transactions and other merchant banking transactions. Mr. Nordholm is currently the President of Liberty Street Capital Corp., a privately-held merchant bank. Previously, Mr. Nordholm served as Senior Vice President of the Tricap Restructuring Fund, an investment fund managed by Brookfield Asset Management Inc. (NYSE:BAM & TSX:BAM-A) that focuses on investments in companies requiring financial and/or operational restructuring. As well, Mr. Nordholm serves as President of Black Tusk Advisors Inc., a business consulting firm, and was counsel to Davis LLP from September 2010 to May 2012. As such, Mr. Nordholm has both executive and advisory experience working with businesses in transition, rationalizing costs and developing creative solutions to financially challenging situations. Mr. Nordholm has served on the boards of numerous public and private companies and is based in Toronto, Canada. Mr. Nordholm holds an LLB from Osgoode Hall Law School, Toronto.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Posera, no director or executive officer of the Corporation, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the

Corporation, is, or within the last 10 years before the date of this Circular was, a director or executive officer of any issuer which, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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;

with the exception;

- i) That on December 23, 2011, Crystallex International Corporation (“Crystallex”), a reporting issuer in British Columbia, Alberta, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland, obtained an order from the Ontario Superior Court of Justice (Commercial List) for protection under the Companies' Creditors Arrangement Act (Canada) (“CCAA Order”), and on December 28, 2011, obtained an order from the United States Bankruptcy Court for the District of Delaware under Chapter 15 of the U.S. Bankruptcy Code recognizing the CCAA Order. These proceedings were commenced following the expropriation of Crystallex’s main mining asset by the Bolivarian Republic of Venezuela in 2011, and the subsequent institution of arbitration proceedings with the World Bank's International Centre for Settlement of Investment Disputes to seek restitution in the amount of US\$3.16 billion (plus interest). In March 2012, Crystallex announced that it would not be in a position to prepare and file annual audited financial statements and other annual disclosure documents, required by Canadian securities laws in respect of the financial year ended December 31, 2011, by March 30, 2012 and, consequently, would be in default of its continuous disclosure filing requirements under Canadian securities laws. A temporary general cease trade order was issued in April 2012. The cease trade order prohibited the trading of Crystallex’s securities other than for trades made pursuant to debtor-in-possession (DIP) financing as approved by the Ontario Superior Court of Justice. Michael Brown served as an independent director of Crystallex until June 2012, at which time he resigned as a director and became a member of the Crystallex advisory panel as required by the credit agreement governing the court-approved DIP financing into which Crystallex entered in 2012.
- ii) That on January 5, 2015, a cease trade order was issued by the Autorité des marchés financiers against Afri-Can Marine Minerals Corporation, a TSX Venture Exchange-listed company, for failing to file annual financial statements for the period ended August 31, 2014, within the required time period. Michael Brown served as a director of Afri-Can Marine Minerals Corporation until November 28, 2014.
- iii) That on February 19, 2014, a temporary cease trade order was issued by the Ontario Securities Commission against Hanfeng Evergreen Inc. (“Hanfeng”) for failure to file interim financial statements for the six-month period ended December 31, 2013; management’s discussion and analysis relating to the interim financial statements for the six-month period ended December 31, 2013; and certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings*. It was

replaced by a permanent cease trade order dated March 3, 2014. The securities commissions of each of Quebec and British Columbia issued similar orders. Loudon Owen and Edwin Nordholm served as a director of Hanfeng until February 24, 2014.

- iv) As a result of not filing its annual financial statements, management's discussion and analysis and related certifications for the year ended December 31, 2012 by the filing deadline, Echelon Capital Corp. was made subject to a temporary cease trade order on May 13, 2013, later made permanent on May 24, 2013, by the Ontario Securities Commission. Mr. Owen had been a director and the Chief Executive Officer of Echelon Capital Corp. but resigned both positions on April 30, 2013, prior to said cease trade order coming into effect. Echelon Capital Corp. was delisted from the TSX Venture Exchange on September 26, 2013.
- v) Mr. Owen served as a director of The Fight Network Inc., a private Corporation, which filed for bankruptcy proceedings in October 2010. Mr. Owen ceased being a director of The Fight Network Inc. in October 2010.

To the knowledge of the Corporation, no director or executive officer of the Corporation, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has, within the last 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold his or her assets.

This disclosure also includes any personal holding companies of any of the persons referred to in the preceding paragraphs of this section titled "Cease Trade Orders, Bankruptcies, Penalties or Sanctions."

3. APPOINTMENT OF AUDITORS

Management recommends the re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants of London, Ontario, the present auditors, as the auditors of the Corporation to hold office until the close of the next annual meeting of the Shareholders. PricewaterhouseCoopers LLP have served as the Corporation's auditors since its reorganization and had previously served as the auditors of Posera Ltd. since January 2009.

The Audit Committee Charter provides for the Audit Committee to establish the auditors' fees. Such fees have been based upon the complexity of the matters in question and the time incurred by the auditors. Management believes that the fees negotiated in the past with the auditors of the Corporation were reasonable in the circumstances and would be comparable to fees charged by other auditors providing similar services.

As discussed in the "Report of the Audit Committee" in this Circular, the Audit Committee has reviewed and considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence.

Unless a shareholder has specified in the enclosed form of proxy that the shares represented by such proxy are to be withheld from voting, proxies in favour of the management nominees will be voted for the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation.

4. CONFIRMING BY-LAW NO. 2

On September 28, 2015, the Board approved the adoption of By-Law No. 2 which requires advance notice of director nominees from shareholders (the "Advance Notice By-law"). The purpose of the

Advance Notice By-law is to ensure that an orderly nomination process for directors of the Corporation is observed, that shareholders are well-informed about the identity, intentions and credentials of director nominees and that shareholders vote in an informed manner after having been afforded reasonable time for appropriate deliberation.

Among other things, the Advance Notice By-law fixes a deadline by which shareholders must provide notice to the Corporation of nominations for election to the board. The notice must include all information that would be required to be disclosed, under applicable corporate and securities laws, in a dissident proxy circular in connection with the solicitations of proxies for the election of directors relating to the shareholder making the nominations (as if that shareholder were a dissident soliciting proxies) and each person that the shareholder proposes to nominate for election as a director. In addition, the notice must provide information as to the shareholdings of the shareholder making the nominations, confirmation that the proposed nominees meet the qualifications of directors and residency requirements imposed by corporate law, and confirmation as to whether each proposed nominee is independent for the purposes of National Instrument 52-110. The deadline by which the notice must be delivered to the Corporation is set out in the table below.

Meeting Type	Nomination Deadline
Annual meeting of shareholders	Either (a) no more than 10 days after the date of the first public filing or announcement of the date of the meeting, if the meeting is called for a date that is fewer than 50 days after the date of that public filing or announcement or (b) no fewer than 30 days prior to the date of the meeting.
Special meeting of shareholders (which is not also an annual meeting)	No more than 15 days after the date of the first public filing or announcement of the date of the meeting.

The Advance Notice By-law does not affect nominations made pursuant to shareholder proposals or the requisition of a meeting of shareholders, in each case made in accordance with the provisions of the *Business Corporations Act* (Ontario) (the “**Act**”). The full text of the Advance Notice By-law is set out in Schedule C available.

If the Advance Notice By-law is approved by shareholders at the Meeting, it will continue to be effective and in full force and effect at, and following, the Meeting. If the Advance Notice By-law is not approved by shareholders at the Meeting, it will terminate and be of no further force or effect at, and following, the Meeting.

Proposed Resolution and Board’s Recommendation

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution approving the Advance Notice By-law (the “**Advance Notice By-law Resolution**”):

“BE IT RESOLVED THAT By-law No. 2 of the Corporation, as set out in Schedule C to the management information circular of the Corporation dated May 20th, 2016, is confirmed without amendment; and any director or officer of the Corporation is authorized and directed to execute and deliver all documents and to do all other things as in that person’s opinion may be necessary or desirable for the purpose of giving effect to this resolution.”

To be effective, the Advance Notice By-law Resolution must be approved by at least a majority of the votes cast at the Meeting.

The Board has unanimously approved the Advance Notice By-law and recommends to shareholders of the Corporation that they vote FOR the Advance Notice By-law Resolution.

Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by that proxy are to be voted against the Advance Notice By-law Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Advance Notice By-law Resolution.

5. AMENDING THE TERMS OF THE 2011 STOCK OPTION INCENTIVE PLAN

On September 20, 2011, the shareholders of the Corporation approved a new stock option incentive plan (the "Plan").

Key Terms of the Plan

The Plan was enacted to encourage ownership of the Corporation's Common Shares by its key officers, directors, employees and consultants.

The Plan provides that the maximum number of Common Shares which may be reserved and set aside for issuance under the Plan will not exceed, in the aggregate, 10% of the issued and outstanding Common Shares calculated on the date on which an option is granted to a participant (excluding any Common Shares issued pursuant to the exercise of share compensation arrangements over the one year period preceding the date on which the calculation is made). Based on the issued and outstanding Common Shares calculated as of the date of this Circular such maximum number of Common Shares which may be reserved and set aside is 7,583,770 Common Shares. The Plan is a rolling plan and as such any increase in the total number of issued and outstanding Common Shares will result in an increase in the available number of options issuable under the Plan, and any exercises of options will make new grants available under the Plan.

The Plan also provides that the aggregate number of Common Shares reserved for issuance pursuant to all options granted under the Plan to any one optionee shall not exceed 5% of the issued and outstanding Common Shares.

The Plan is administered by the Board or the Human Resources and Compensation Committee or persons appointed by the Board. All options will be evidenced by an option agreement setting out provisions in respect of the option, including the exercise price, the term and the vesting provisions, which provisions shall be determined as follows:

- *Exercise Price.* The exercise price for options will be set by the Board, but in no event shall the exercise price be less than the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of grant.
- *Term.* The term of each option shall be fixed by the Board, but no option shall be exercisable more than ten years after the date the option is granted.
- *Vesting.* The vesting provisions in respect of options shall be determined by the Board at the date of grant.
- *Take-over Bid or Sale.* In the event that a take-over bid is made for the Common Shares or the Corporation enters into an agreement in respect of the sale of the Corporation's assets, the Board may authorize the Corporation to give notice to option holders that all options will expire on the date set out in the notice and each optionee may exercise all options held by such optionee prior to such date.

- *Assign Transfer.* All options are non-assignable and non-transferable.

Other terms of the Plan include the following:

Amendments to the Plan

- (a) Subject to regulatory approval and the approval of any stock exchange on which the Common Shares are then listed for trading, and the limitations set out in paragraphs b) and (c) below, the Board may, by resolution, amend, vary or discontinue the Plan, or any agreement or entitlement subject to the Plan, at any time without notice to or approval of the shareholders of the Corporation, including, without limitation, for the purpose of:
 - (i) changing the class of persons who will be eligible to be granted options pursuant to the Plan (other than as provided for in paragraph below) and the authority of the Board in respect of the grant of options under the Plan;
 - (ii) ensuring continuing compliance with applicable laws and regulations and the requirements or policies of any governmental or regulatory authority, securities commission or stock exchange having authority over the Corporation or the Plan;
 - (iii) changes of a "housekeeping", clerical, technical or stylistic nature, including, without limitation, eliminating any ambiguity, error or defect, supplying any omission or correcting or supplementing any provision contained in the Plan or in any agreement subject to the Plan which may be incorrect or incompatible with any other provision of the Plan or such agreement;
 - (iv) changing the method of determining the option price for options granted pursuant to the Plan, provided that the option price shall not in any case be lower than the "market price" of a Common Share, as that term (or any successor term) is interpreted and applied by the Toronto Stock Exchange;
 - (v) changing the following terms governing options under the Plan: (A) vesting terms (including the acceleration of vesting); (B) exercise and payment method (including providing for cashless option exercise) and frequency; (C) transferability or assignability, other than as provided for in paragraph (b) below; (D) to fairly or properly take into account a sale or take-over bid; (E) adjustments required in the circumstances of a change in the capital structure of the Corporation; and (F) the effect of termination (for whatever reason) of the optionee's employment or service;
 - (vi) determining that any of the provisions of the Plan or any agreement subject to the Plan concerning the effect of termination (for whatever reason) of the optionee's employment, service or consulting agreement/arrangement or cessation of the optionee's directorship or office, shall not apply for any reason acceptable to the Board;
 - (vii) changing the terms and conditions of any financial assistance which may be provided by the Corporation to the optionees to facilitate the purchase of Common Shares, or adding or removing any provisions providing for such financial assistance;

- (viii) adding a cashless exercise feature, payable in cash or securities, provided same includes a full deduction of the number of underlying Common Shares from the Plan reserved under the Plan;
 - (ix) providing for the granting of non-equity based kinds of awards under the Plan, including, without limitation, stock-appreciation rights;
 - (x) adding or amending provisions necessary for options under the Plan to qualify for favourable tax treatment to optionees and/or the Corporation under applicable tax laws;
 - (xi) changing any terms relating to the administration of the Plan; and
 - (xii) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules and policies of the Toronto Stock Exchange and of any other stock exchange or market having authority over the Corporation or the Plan).
- (b) Subject to regulatory approval, the approval of any stock exchange on which the Common Shares are then listed for trading and the limitations set out in paragraph (c) below, the Board may, by resolution, amend, vary or discontinue the Plan, or any agreement or entitlement subject to the Plan, at any time for the following purposes, provided that any such amendment, variance or discontinuance will not become effective unless and until approved by a majority of the votes cast by disinterested shareholders of the Corporation, in person or by proxy, at a meeting of shareholders:
- (i) any increase in the maximum number of Common Shares issuable under the Plan as provided for in the Plan or any change from a fixed maximum number of Common Shares issuable under the Plan to a fixed maximum percentage;
 - (ii) any reduction in the option price of an outstanding option held by an insider except for the purpose of maintaining option value in connection with an adjustment relating to changes in the capital structure of the Corporation (for this purpose, the cancellation or termination of an option of an optionee prior to expiry of the option term for the purpose of reissuing an option to the same optionee with a lower exercise price shall be treated as an amendment to reduce the option price of an option);
 - (iii) any extension of the option term of an option held by an insider (except where the date of the expiry of the option term would have fallen within a blackout period);
 - (iv) any increase to the limit on the numbers of securities issued or issuable to insiders set out in the Plan, if any; and
 - (v) any other amendment requiring shareholder approval under applicable law (including, without limitation, under the rules and policies of the Toronto Stock Exchange and of any other stock exchange or market having authority over the Corporation or the Plan).
- (c) Notwithstanding anything to the contrary set out in the Plan, no amendment, variance or discontinuance of the Plan, or any agreement or entitlement subject to the Plan, may be made, without the prior written consent of the optionee, if the Board determines that the

effect thereof is to impair, derogate from or otherwise materially and adversely affect any option previously granted to such optionee under the Plan.

- *Termination of Participant.* If a holder of an option ceases to be eligible under the Plan any unvested portion of the option held by such person will immediately expire on the date such person becomes ineligible and, further, any vested portion of any option held by that person will expire (i) in the case of termination without cause, on the date which is 90 days following the termination date, (ii) in the case of death, on the date which is one year after the death; and (iii) in all other cases on the termination date.
- *Blackout Period.* No option may be exercised by a holder thereof during any when the holder is then restricted from trading Common Shares pursuant to any policy of the Corporation or applicable securities laws (“Blackout Period”). If an option expiry date falls on a date within a Blackout Period or within ten business days following the expiration of a Blackout Period, the expiry date for that option will be automatically extended, without any further act or formality, to that date which is the tenth business day after the end of the Blackout Period.

As noted above, and notwithstanding the provisions of the Plan, the TSX requires that certain amendments to the Plan or options granted thereunder be subject to shareholder approval. Examples of amendments to the Plan or options granted thereunder requiring shareholder approval due to the TSX’s requirements include: a reduction in the exercise price of an option benefiting an insider, an increase to the maximum number of securities issued under the Plan or an amendment to the section of the Plan which governs how the Plan may be amended.

There are currently 3,287,720 Common Shares reserved for issuance pursuant to stock options granted under the Plan, representing 4.3% of the issued and outstanding Common Shares as at the date of this Circular. Accordingly, under the Plan, the Corporation may grant stock options to acquire a further 4,296,050 Common Shares, representing 5.7% of the issued and outstanding Common Shares at the date of this Circular. On May 11th, 2016, the Board approved an amendment to the Plan whereby the maximum number of Common Shares that may be issued upon the exercise of stock options, shall not exceed 15% of the issued and outstanding Common Shares at the time of the grant of options. The amendment to the Plan approved by the Board is subject to shareholder approval as required by the Toronto Stock Exchange (the “TSX”). If the Plan amendment is approved, the Corporation would initially be able to grant stock options to acquire a total of 8,087,935 representing an additional 10.7% of Common Shares at the date of this Circular. This represents an increase of 3,791,885 Common Shares which may be issued upon exercise of stock options granted under the Plan. Shareholders of the Corporation are being asked to approve the amendment to the Plan by ordinary resolution and the full text of the resolution to be approved by shareholders is attached as Schedule B of this Circular (the “**Plan Amendment Resolution**”).

The Plan does not limit the participation of insiders. If the Plan Amendment Resolution is approved by the Shareholders, the aggregate number of the Corporation’s Common Shares: i) issued to insiders within any one-year period; and ii) issuable to insiders at any time under the Plan, could exceed 10% of the Corporation’s issued and outstanding common shares. Where insider participation in the Plan is not limited, TSX rules provide that the votes attached to the securities held by all insiders eligible (the “Eligible Insiders”) to participate in the Plan, must be excluded from the vote held in respect of the Plan Amendment Resolution. Accordingly, shareholders of the Corporation, other than the Eligible Insiders, are being asked to approve the Plan Amendment Resolution by a majority of votes cast in respect of such resolution. As of the date of this circular, 2,957,599 Common Shares held by Eligible Insiders will be excluded from the vote.

In the event the Plan Amendment Resolution is not adopted by the shareholders the Plan will continue unamended and there will be no increase in the number of Common Shares which may be reserved for issuance pursuant to the grant of options.

The Board has determined that the Plan amendment is in the best interests of the Corporation and the shareholders primarily because it provides the Board with a mechanism to provide additional incentives to management and employees to maximize shareholder value. The Board unanimously recommends that shareholders vote in favour of the Plan Amendment Resolution.

6. CONTINUATION OF STOCK OPTION PLAN

The Toronto Stock Exchange (“**TSX**”) requires that in respect of evergreen stock option plans, like the Plan, all unallocated options under the Plan must be approved by Shareholders every three years.

Shareholders will be asked at the Meeting to consider and, if deemed advisable, to approve, by a simple majority of votes cast at the Meeting, a resolution, the text of which is set forth in Schedule “D” of this Circular (the “**Stock Option Plan Re-approval Resolution**”), to approve the unallocated options under the Plan. The approvals required by the TSX do not increase the number of options which may be granted under the Plan, they merely confirm that those options available under the Plan which have not yet been granted will remain available for granting for the next three years.

The Board has determined that the continued ability to grant options under the Plan is in the best interests of the Company and the Shareholders primarily because it provides the Board with a mechanism to provide incentives to management and employees to maximize shareholder value. The Board unanimously recommends that Shareholders vote in favour of the Stock Option Plan Re-approval Resolution.

If approval of the Stock Option Plan Re-approval Resolution is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated options under the Plan until the Corporation’s 2019 annual shareholders’ meeting (provided that such meeting is held on or prior to June 29, 2019). If approval is not obtained at the Meeting, options which have not been allocated as of June 29, 2016 and options which are outstanding as of June 29, 2016 and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue to be unaffected by the approval or disapproval of the Stock Option Plan Re-approval Resolution.

If the both the Plan Amendment Resolution and the Stock Option Plan Re-approval Resolution are approved, the Corporation would initially be able to grant stock options to acquire a total of 8,087,935 representing an additional 10.7% of Common Shares at the date of this Circular. If only the Stock Option Plan Re-approval Resolution is approved, the Corporation would initially be able to grant stock options to acquire a further 4,296,050 Common Shares, representing 5.7% of the issued and outstanding Common Shares at the date of this Circular.

EXECUTIVE COMPENSATION

The following information is provided pursuant to the executive compensation disclosure requirements contained in National Instrument 51-102 Continuous Disclosure Obligations (“NI 51-102”).

COMPOSITION AND MANDATE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE COMPENSATION DISCUSSION AND ANALYSIS

The Board has established the Human Resources, Corporate Governance and Nominating Committee (the “HRCG&N Committee”) to take steps as the HRCG&N Committee deems appropriate within the scope of its charter to ensure that the Corporation has an effective plan of executive and management

compensation, development and retention. This plan is to be competitive, motivating and rewarding to the degree that it will attract, retain and inspire executives who in turn will enhance the growth and profitability of the Corporation.

It is the responsibility of the HRCG&N Committee to make recommendations to the Board and to oversee all aspects of compensation and career development for the Corporation's senior executives. It also reviews management's recommendations for the granting of stock options to the executive officers and other key employees of the Corporation prior to the Board's consideration and decision on the recommendation. The HRCG&N Committee (or the board as a whole), reviews the compensation of each senior executive annually, or as may be required, and recommends to the Board any adjustment required to maintain a competitive position.

The HRCG&N Committee is also responsible for reviewing, approving and reporting to the Board, annually or more frequently as required, the CEO's succession plans for executive management including specific development plans and career planning for potential successors.

As at the date of this Circular, the HRCG&N Committee is comprised of Paul Fornazzari and David Del Chiaro, with Mr. Fornazzari being the chair. Mr. Del Chiaro is an independent director under the standards established by Canadian securities regulatory authorities in National Instrument 58-101 Corporate Governance ("NI 58-101").

Each HRCG&N Committee member has direct experience that is relevant to his responsibilities in executive compensation, as well as the skills and experience that enable him to make informed decisions on the suitability of the Corporation's compensation policies and practices. They have held executive management roles with companies where the human resources department reported to them; or they gained executive compensation experience and skills as members of board of directors or board committees and/or as advisors to boards and committees where they gained direct experience and skills in human resources matters, including executive compensation.

Mr. Del Chiaro is a seasoned owner operator of grocery stores and is a former director of People's Telephone Company of Forest Inc. and of the Canadian Federation of Independent Grocers. In his director and owner operator roles, Mr. Del Chiaro has been directly involved in establishing and overseeing executive compensation programs.

Mr. Fornazzari is a partner of Fasken Martineau DuMoulin LLP, one of Canada's largest law firms. Mr. Fornazzari has acted for domestic and foreign public and private clients advising such clients and their boards on a wide variety of matters including corporate governance, executive compensation and compliance with securities laws. In his internal roles at Faskins and as an advisor to his clients, Mr. Fornazzari has extensively advised on compensation and employment agreement matters for senior executives as well as equity incentive plans for various companies.

COMPENSATION DISCUSSION AND ANALYSIS

It is the compensation philosophy of the Corporation to provide a blend of base salaries, bonuses and an equity incentive component in the form of options. The following summarizes these elements of compensation:

i) Base Salary

In determining the base salary of an executive officer, the Committee begins its analysis with a recommendation from the CEO of the Corporation and places weight on the following factors: the particular responsibilities relates to the position; salaries paid by comparable businesses in the technology sector; the experience level of the executive officer; and his or her overall performance.

ii) Bonus Payments

Executive officers are eligible for annual cash bonuses, after taking into account recommendations from management and giving weight to attainment of general corporate objectives and milestones, financial situation of the Corporation, and individual performance. The Committee places importance on the achievement of general corporate objectives and milestones when determining the level of bonuses (if any) to be paid. In taking into account the financial status of the Corporation, the Committee considers factors over which the executive officers can exercise control, such as, controlling costs, taking successful advantage of business opportunities and enhancing the competitive and business prospects of the Corporation.

iii) Long-Term Incentives

The Committee believes that granting stock options to key personnel encourages retention and more closely aligns the interests of executive management with the intent of shareholders. The inclusion of options in compensation packages allows the Corporation to compensate employees while not drawing on limited cash resources. Further, the Committee believes that the option component serves to further align the interests of management with the interest of the Corporation's shareholders. The amount of options to be granted is based on recommendations from management and include the relative contribution and involvement of the individual in question as well as taking into consideration previous option grants.

CHIEF EXECUTIVE OFFICER

The compensation for the Corporation's CEO is designed to be competitive with the average compensation designed for chief executive officers of comparable companies or competitors. Compensation for the CEO is subject to the same review and evaluation criteria that are applied to the compensation of the Corporation's other senior executives. Special emphasis is placed by the Committee on the performance of the CEO with respect to strategic planning and building and increasing shareholder value. The evaluation of the CEO's performance considers three areas, recognizing that the first carries the most weight:

- (i) achievement of general corporate objectives and standards of performance; and
- (ii) consistency of performance.

Risks Associated with Compensation Practices

The HRCG&N Committee has not formally considered or reviewed the implications of the risks associated with the Corporation's compensation policies and practices. Notwithstanding the foregoing, the HRCG&N Committee does not believe that the Corporation's current executive compensation policies and practices encourage its executive officers to take inappropriate or excessive risks as the Corporation's compensation structure provides a mix of short and long term rewards.

Summary Compensation Table

The summary compensation table that follows shows detailed information on total compensation for the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President and the Senior Vice-President of Corporate Business Development of the Corporation serving as at December 31, 2015 (the "Named Executive Officers") for services rendered during the fiscal years ended December 31, 2015, 2014 and 2013.

Name and Principal Position	Year				Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽⁵⁾ (\$)	Total compensation (\$)
		Salary (\$)	Share-based awards (\$)	Option-based awards ⁽⁹⁾ (\$)	Long-term incentive plans (\$)	Long-term incentive plans (\$)			
Loudon Owen ⁽⁸⁾ CEO	2015	\$60,000	Nil	\$37,797	Nil	Nil	Nil	Nil	\$97,797
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Howell ⁽²⁾ CEO	2015	\$245,511	Nil	Nil	Nil	Nil	Nil	\$7,385	\$252,896
	2014	\$250,000	Nil	Nil	Nil	Nil	Nil	\$9,600	\$259,600
	2013	\$226,923	Nil	Nil	Nil	Nil	Nil	\$9,600	\$236,523
Michel Cote ⁽⁶⁾ Vice-President, Business Development	2015	\$223,133	Nil	Nil	Nil	Nil	Nil	\$18,812	\$241,945
	2014	\$240,988	Nil	\$2,089	Nil	Nil	Nil	\$19,152	\$262,229
	2013	\$223,267	Nil	\$5,570	Nil	Nil	Nil	\$19,152	\$247,989
Sol Korngold ⁽³⁾ Senior Vice- President, Special Projects and Infrastructure	2015	\$144,200	Nil	Nil	Nil	Nil	Nil	\$8,400	\$152,600
	2014	\$143,715	Nil	Nil	Nil	Nil	Nil	\$7,431	\$151,146
	2013	\$127,077	Nil	Nil	Nil	Nil	Nil	Nil	\$127,077
Kevin Mills ⁽⁴⁾ CFO	2015	\$149,600	Nil	Nil	Nil	Nil	Nil	\$9,600	\$160,551
	2014	\$148,862	Nil	\$2,089	Nil	Nil	Nil	\$9,600	\$160,551
	2013	\$140,000	Nil	\$5,570	Nil	Nil	Nil	\$9,600	\$155,170
Allen Shulman ⁽⁷⁾ Senior Vice- President, Integration and Administration	2015	\$188,214	Nil	Nil	Nil	Nil	Nil	\$17,990	\$206,204
	2014	\$203,154	Nil	\$2,089	Nil	Nil	Nil	\$19,305	\$224,548
	2013	\$194,190	Nil	\$5,570	Nil	Nil	Nil	\$19,305	\$219,065

Notes:

- (1) Posera has not granted any stock appreciation rights (SAR) or adopted any long term incentive plan (LTIP).
- (2) Mr. Howell was appointed as the President and the CEO on November 16, 2006. Mr. Howell stepped down as CEO of the Corporation on September 25, 2015.
- (3) Mr. Korngold was appointed as the Chief Operating Officer on December 29, 2006. Mr. Korngold transitioned to Senior Vice-President, Special Projects and Infrastructure on March 14, 2016.
- (4) Mr. Mills was appointed as the Chief Financial Officer on February 14, 2008.
- (5) All other compensation relates to a vehicle allowance, parking reimbursed and RSP contribution match.
- (6) Mr. Cote joined Posera on May 1, 2010 and was appointed as the President on that date. Mr. Cote transitioned to Vice-President, Business Development on January 19, 2016.
- (7) Mr. Shulman joined Posera on May 1, 2010 and was appointed as the Senior Vice-President of Corporate Business Development on that date. On October 27, 2015, Mr. Shulman transitioned to the Senior Vice-President, Integration and Administration. Mr. Shulman ceased to be an officer of the Corporation on January 19, 2016.
- (8) Mr. Owen was appointed CEO of Posera on October 23, 2015. Mr. Owen also received compensation for the year as a director of Posera, this has been disclosed separately from the Officer compensation. Mr. Owen prior to being appointed the CEO of the

Corporation did receive compensation as a director which is included in director compensation section later in the information circular.

- (9) Options to acquire Common Shares which were granted to NEOs are valued based on the grant date fair value of the applicable option grant. Fair value is determined in a manner consistent with that used in preparing the Corporation's Consolidated Financial Statements. This approach uses the Black-Scholes Option pricing model with the following weighted average assumptions for fiscal 2014: zero dividend yield; volatility 104.0% risk free rate of 1.61% and expected lives of 5 years.

Termination of Employment, Change in Responsibilities and Employment Contracts

Loudon Owen — CEO

Effective as of September 25, 2015, Posera and Mr. Loudon Owen entered into an employment agreement for Mr. Owen to serve as Chief Executive Officer of Posera. Posera agreed to pay Mr. Owen a base salary of \$240,000 per annum, together with an annual bonus incentive of up to 100% of his base salary based on achievement of such personal and corporate-related targets agreed to annually between Mr. Owen and the Compensation Committee. In addition, Mr. Owen entered into an agreement whereby he is entitled to participate in Posera's Stock Option Plan, whereby he will receive a total grant of 1,000,000 stock options in the Corporation, and stock options are earned by and granted to Mr. Owen at the end of each three-month period of employment from his start date of September 25, 2015. The exercise price of such options is determined by the terms of the Stock Option Plan as of each grant date. Mr. Owen receives a benefit to be applied to his group insurance health benefits. Mr. Owen is entitled to three weeks of paid vacation per year, as well as reimbursement of certain expenses. In the event of Mr. Owen's resignation or his termination for cause he is not entitled to any pay in lieu of notice or any severance or similar payment in respect of such termination other than accrued and unpaid base salary and vacation pay earned as of the date of termination. In the event of Mr. Owen's termination by the Corporation without cause he is not entitled to any pay in lieu of notice or any severance or similar payment in respect of such termination other than accrued and unpaid base salary, vacation pay earned as of the date of termination and any performance amount calculated on a *pro rata* basis by the Board as of the date of termination (the "Without Cause Termination Amount"). In addition, Mr. Owen would be entitled to one year of continued group insurance benefits. If Mr. Owen's employment is terminated by the Corporation without cause within six month of a change of control of the Corporation, then Mr. Owen is entitled to receive two times Without Cause Termination Amount. The Owen Employment Agreement imposes confidentiality obligations on Mr. Owen, as well as non-competition and non-solicitation obligations during the term of the agreement and for a period of twelve months after the termination of the agreement.

Michel Cote — Vice-President Business Development

Posera and Mr. Michel Cote entered into an employment agreement as of April 30th, 2010 (the "Cote Employment Agreement"), which agreement was transferred to Posera pursuant to the plan of arrangement. Mr. Cote acted as the President of Posera from May 2010 until January 2016 when he transitioned to Vice-President, Business Development. The Cote Employment Agreement automatically renews for successive periods of one year unless either party gives notice of its intention to terminate the Cote Employment Agreement. As compensation for his services, Mr. Cote receives an annual salary of \$215,000 per annum and is eligible for annual bonuses at the discretion of the Board. Mr. Cote is also entitled to participate in the Stock Option Plan and group insurance benefits. Mr. Cote is entitled to four weeks of vacation per year, as well as the reimbursement of certain expenses. The Cote Employment Agreement imposes confidentiality obligations on Mr. Cote, as well as non-competition and non-solicitation obligations during the term of the agreement and for a period of twelve months after the termination of the agreement. Posera may terminate the Cote Employment Agreement for cause, or without cause upon providing Mr. Cote with a lump sum payment equal to 12 months' compensation. If Mr. Cote tenders his resignation within 60 days of a change of control of Posera, Mr. Cote is entitled to receive an amount equal to 12 months' compensation, accrued and unpaid expenses and value of vacation pay or unused vacations. In addition, all outstanding options held by Mr. Cote will vest upon termination and will be exercisable until their expiry date. The Cote Employment Agreement imposes confidentiality obligations on Mr. Cote, as well as non-competition and non-solicitation obligations during the term of the agreement and for a period of twelve months after the termination of the agreement.

Sol Korngold — Senior Vice-President, Special Projects and Infrastructure

Posera and Mr. Sol Korngold entered into an employment agreement as of December 29, 2006, which agreement was transferred to Posera-pursuant to the plan of arrangement. Mr. Korngold acted as the Chief Operating Officer for Posera and then transition to Senior Vice-President, Special Projects and Infrastructure on March 14, 2016 for an

indefinite term unless the agreement is terminated. As compensation for his services, Mr. Korngold receives an annual salary of \$144,200 per annum and is eligible for annual bonuses at the discretion of the Board. Mr. Korngold is also entitled to participate in the Stock Option Plan. Mr. Korngold is entitled to four weeks of vacation per year, as well as the reimbursement of certain expenses.

Kevin Mills — CFO

Posera Ltd. and Mr. Kevin Mills entered into an employment agreement as of February 13, 2008 (the "Mills Employment Agreement"), which agreement was transferred to Posera-HDX Limited pursuant to the plan of arrangement. Mr. Mills acts as the Chief Financial Officer for Posera for a three-year term. On November 11, 2010 Posera renewed Mr. Mills' employment agreement for another three-year term and thereafter renews automatically for successive periods of one year unless either party gives notice of its intention to terminate the Mills Employment Agreement. As compensation for his services, Mr. Mills receives an annual salary of \$149,600 per annum and is eligible for annual bonuses at the discretion of the Board. Mr. Mills is also entitled to participate in the Stock Option Plan and group insurance benefits. Mr. Mills is entitled to four weeks of vacation per year, as well as the reimbursement of certain expenses. Posera may terminate the Mills Employment Agreement for cause, or without cause upon providing Mr. Mills with a lump sum payment equal to 12 months' compensation. If Mr. Mills tenders his resignation within 60 days of a change of control of Posera, Mr. Mills is entitled to receive an amount equal to 12 months' compensation, accrued and unpaid expenses and value of vacation pay or unused vacations. In addition, all outstanding options held by Mr. Mills will vest upon termination and will remain exercisable until their expiry date.

Allen Shulman — Senior Vice-President, Integration and Administration

Posera and Mr. Allen Shulman entered into an employment agreement as of April 30th, 2010 (the "Shulman Employment Agreement"), which agreement was transferred to Posera-HDX Limited pursuant to the plan of arrangement. Mr. Shulman acted as the Senior Vice-president of Corporate Business Development for Posera and then transitioned to Senior Vice-President, Integration and Administration on October 27, 2015 for a four-year term and thereafter renews automatically for successive periods of one year unless either party gives notice of its intention to terminate the Shulman Employment Agreement. As compensation for his services, Mr. Shulman receives an annual salary of \$187,000 per annum and is eligible for annual bonuses at the discretion of the Board. Mr. Shulman is also entitled to participate in the Stock Option Plan and group insurance benefits. Mr. Shulman is entitled to four weeks of vacation per year, as well as the reimbursement of certain expenses. The Shulman Employment Agreement imposes confidentiality obligations on Mr. Shulman, as well as non-competition and non-solicitation obligations during the term of the agreement and for a period of twelve months after the termination of the agreement. Posera may terminate the Shulman Employment Agreement for cause, or without cause upon providing Mr. Shulman with a lump sum payment equal to 12 months' compensation. If Mr. Shulman tenders his resignation within 60 days of a change of control of Posera, Mr. Shulman is entitled to receive an amount equal to 12 months' compensation, accrued and unpaid expenses and value of vacation pay or unused vacations. In addition, all outstanding options held by Mr. Shulman will vest upon termination and will remain exercisable until their expiry date.

2015 Stock Option Grants

The following table sets forth individual grants of options to purchase Common Shares to the Named Executive Officers during the financial year ended December 31, 2015. All of the options granted had an exercise price equal to the market price of Common Shares on the date immediately preceding the date of the grant.

Outstanding Share-based Awards and Option Based Awards

An option to acquire Posera Shares is "in-the-money" when it can be exercised at a profit. This happens when the market value of the Posera Shares is higher than the price at which the options may be exercised. The value of unexercised in-the-money options is calculated using the closing price of a board lot of Common Shares on the TSX on December 31, 2015, less the exercise price of those options. The underlying options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Posera Shares on the date of exercise.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Loudon Owen	363,822	\$0.25	June 15, 2017	Nil	Nil	Nil
	360,000	\$0.32	April 18, 2019	Nil	Nil	Nil
	149,437	\$0.34	September 13, 2016	Nil	Nil	Nil
Michel Cote	120,000	\$0.25	June 15, 2017	Nil	Nil	Nil
	100,000	\$0.30	December 10, 2015	Nil	Nil	Nil
Sol Korngold	100,000	\$0.30	November 11, 2015	Nil	Nil	Nil
	200,000	\$0.50	November 29, 2015	Nil	Nil	Nil
	5,700	\$2.70	January 31, 2015	Nil	Nil	Nil
Kevin Mills	120,000	\$0.25	June 15, 2017	Nil	Nil	Nil
	100,000	\$0.30	November 11, 2015	Nil	Nil	Nil
	48,597	\$0.34	September 13, 2016	Nil	Nil	Nil
	200,000	\$0.50	November 11, 2015	Nil	Nil	Nil
Allen Shulman	120,000	\$0.25	June 15, 2017	Nil	Nil	Nil

Notes:

(1) The value of the unexercised options is based on the December 31, 2015 closing price on the TSX of \$0.23 for each Posera Share.

Incentive Plan Awards – Value Vested or Earned during the Year

Order Name	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
Paul Howell	N/A	N/A	N/A
Loudon Owen	N/A	N/A	N/A
Michel Cote	N/A	N/A	N/A
Sol Korngold	N/A	N/A	N/A
Kevin Mills	N/A	N/A	N/A
Allen Shulman	N/A	N/A	N/A

Incentive Plan Exercises – Number of Options and Cash Value of Exercises

The below schedule indicates the number of options that were exercised and the cash value received by Posera by the Named Executive Officers during the financial year ended December 31, 2015.

Order Name	Corporation Stock Option Plan – Number of Options Exercised	Cash Value of Exercise – Number of Options multiplied by the Exercise Price
Paul Howell	N/A	N/A
Loudon Owen	N/A	N/A
Michel Cote	N/A	N/A
Sol Korngold	N/A	N/A
Kevin Mills	N/A	N/A
Allen Shulman	N/A	N/A

Director Compensation

Up until June 21, 2006, the independent directors were compensated for serving as directors of Posera and as chairs or members of committees of the board through a combination of stock options, cash compensation consisting of retainer fees and meeting fees, and reimbursement of reasonable related expenses, with cash compensation being the primary form of compensation. Posera has adopted a revised policy under which directors are paid fixed retainers for participation on the board and its standing committees, with no per diem meeting fees.

The Chairman of the Board is entitled to cash compensation of \$36,000 per year, and each director is entitled to cash compensation of \$12,000 per year. Members of committees of the board are also entitled to an annual fee of \$5,000 per year, and the Chairman of each committee is entitled to an additional \$5,000 per year. The Chief Executive Officer is not entitled to any additional compensation in his capacity as a member of the Board.

In 2015 the Board formed a special committee of the Board (the “Special Committee”) with a mandate to review, consider and evaluate with senior management material business events in order to streamline the internal business review process and reduce timelines for decision making. The Special Committee reports to the Board from time to time on activities of the Special Committee as the Special Committee considers to be appropriate in order to keep the Board informed. The members of the Special Committee are Loudon Owen, Michael Brown and Gary Figueira. Loudon Owen is the Chairman of the Special Committee. Members of the Special Committee are entitled to compensation for the services performed by them in discharging their duties, as follows: \$1,000 per diem capped at \$5,000 per annum, plus reimbursement for all out-of-pocket expenses reasonably incurred by them in the performance of these services. The director compensation table includes Special Committee compensation paid or payable in the “Fees Earned” column.

In order to conserve working capital, the independent directors have all agreed to accept stock options in lieu of any cash compensation for serving on the Board and its standing committees. On June 15, 2012, Posera issued a total of 1,139,339 options to purchase Common Shares of Posera to members of the Board in respect of their services rendered to Posera during the three-months ended 2011 and for the year-ended 2012 (the “**2012 Compensation Options**”). The 2012 Compensation Options are fully vested, are exercisable at a price of \$0.25 per share and expire June 15, 2017. The Corporation did not issue any Compensation Options for services rendered by the Board during the year-ended December 31, 2013. The Corporation has accrued the Boards fees as at December 31, 2013. On April 18, 2014, Posera issued a total of 990,000 options to purchase Common Shares of Posera to members of the Board in respect of their services rendered to Posera during the fiscal years ended December 31, 2013 and 2014 (the “**2013 and 2014 Compensation Options**”). The 2013 and 2014 Compensation Options are fully vested as at December 31, 2014, are exercisable at a price of \$0.32 per share and expire April 18, 2019.

During fiscal 2015 the Board approved to accept cash compensation for services rendered during the year. In fiscal 2015 Posera’s directors received \$92,000 in cash compensation with some electing to accrue the fees and having them paid out at a later date.

Director Compensation Table

The director’s compensation table that follows shows detailed information on total compensation provided to the directors, in that capacity, of Posera for most recently completed financial year ending December 31, 2015.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Paul Howell ^(1, 6)	3,000	Nil	Nil	Nil	Nil	Nil	3,000
Paul Fornazzari ⁽³⁾	22,000	Nil	Nil	Nil	Nil	Nil	22,000
Loudon Owen ^(2,5,6)	42,000	Nil	Nil	Nil	Nil	Nil	42,000
Michael Brown ⁽⁴⁾	22,750	Nil	Nil	Nil	Nil	Nil	22,750
David Del Chiaro ⁽⁴⁾	27,000	Nil	Nil	Nil	Nil	Nil	27,000
Gary Figueira ⁽⁴⁾	22,500	Nil	Nil	Nil	Nil	Nil	22,500

Notes:

- (1) Appointed as a director in November 2006
- (2) Appointed as a director in June 2006
- (3) Appointed as a director in June 2009
- (4) Appointed directors Posera Ltd. on October 7, 2011 and were not previously on the board of Posera-HDX Inc.
- (5) The Chief Executive Officer is not entitled to any additional compensation in his capacity as a member of the Board.
- (6) Mr. Howell stepped down from being the CEO of the Corporation on September 25, 2015 and started to receive compensation as a director at that time, whereby Mr. Owen became the CEO of the Corporation on October 23, 2015 and ceased to receive director compensation at that time.

Director Outstanding Share-based Awards and Option-based Awards

An option is "in-the-money" when it can be exercised at a profit. This happens when the market value of the Common Shares is higher than the price at which the options may be exercised. The value of unexercised in-the-money options is calculated using the closing price of a board lot of Common Shares on the TSX on December 31, 2015, less the exercise price of those options. The underlying options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Loudon Owen	363,822	\$0.25	June 15, 2017	Nil	Nil	Nil
	360,000	\$0.32	April 18, 2019	Nil	Nil	Nil
	149,437	\$0.34	September 13, 2016	Nil	Nil	Nil
Michael Brown	162,763	\$0.25	June 15, 2017	Nil	Nil	Nil
	130,000	\$0.32	April 18, 2019	Nil	Nil	Nil
David Del Chiaro	239,357	\$0.25	June 15, 2017	Nil	Nil	Nil
	205,000	\$0.32	April 18, 2019	Nil	Nil	Nil
Gary Figueira	162,763	\$0.25	June 15, 2017	Nil	Nil	Nil
	130,000	\$0.32	April 18, 2019	Nil	Nil	Nil
Paul Fornazzari	210,634	\$0.25	June 15, 2017	Nil	Nil	Nil
	165,000	\$0.32	April 18, 2019	Nil	Nil	Nil
	80,186	\$0.34	September 13, 2016	Nil	Nil	Nil

Notes:

- (1) The value of the unexercised options is based on the December 31, 2015 closing price on the TSX of \$0.23 for each of Posera's Common Shares.

Incentive Plan Awards – Value Vested or Earned during the Year

Order Name	Option-based awards – Value vested during the year	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
Loudon Owen	Nil	N/A	N/A
Paul Fornazzari	Nil	N/A	N/A
Michael Brown	Nil	N/A	N/A
David Del Chiaro	Nil	N/A	N/A
Gary Figueira	Nil	N/A	N/A

No options were exercised by the current Director's during the financial year ended December 31, 2015.

Hedging of Economic Risks for Personal Equity Ownership

The Corporation has not formally adopted a policy which prohibits NEOs and Directors from selling the Corporation's securities short or buying or selling call or put options or purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. The Corporation is not aware of any Director or NEO purchasing any of these types of financial instruments in order to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Securities Authorized for Issuance under Equity Compensation Plans

Posera's only security-based compensation arrangements are its two option plans and a share purchase plan. The 2002 Stock Option Plan (the "2002 Plan") was established in 2002 in connection with Posera's initial public offering. It provides for the issuance of up to 2,000,000 Common Shares pursuant to the exercise of options under this Plan, of which 1,157,894 options had been granted and nil remain issued and outstanding as at May 12th, 2015. Posera does not intend to grant any further options under the 2002 Plan.

The 2011 Stock Option Incentive Plan (the "Plan") was approved by the shareholders of Posera in September 2011. The Plan provides for a rolling maximum number of Posera Shares that may be issued upon the exercise of stock options, being 10% of the issued and outstanding Posera Shares at the time of grant. Any increase in the total number of issued and outstanding Posera Shares will result in an increase in the available number of Posera Shares issuable under the Plan, and any exercises of options will make new grants available under the Plan. The Plan was re-approved by the Shareholders of the Corporation on June 18th, 2014. Finally, as of May 20th, 2016, Posera is authorized to issue 3,287,720 options under the Plan, of which 3,287,720 are outstanding and remain unexercised.

The key terms of the Plan are set out under the heading "*Amending the Terms of the 2011 Stock Option Incentive Plan*".

In addition to its stock option plans, in 2005 the shareholders of Posera approved the establishment of a share purchase plan to encourage ownership of Posera Shares by its employees, officers, directors and other eligible participants (the "**Share Purchase Plan**"). The number of Posera Shares reserved for issuance under the Share Purchase Plan is 750,000 shares with provision that the Board has the right from time to time to increase such number subject to the approval of the Shareholders of Posera. During 2015, no Posera Common Shares were issued under the Share Purchase Plan.

The following table sets out information on these plans as at December 31, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	3,407,720	\$0.29	4,176,051
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	3,407,720	\$0.29	4,176,051

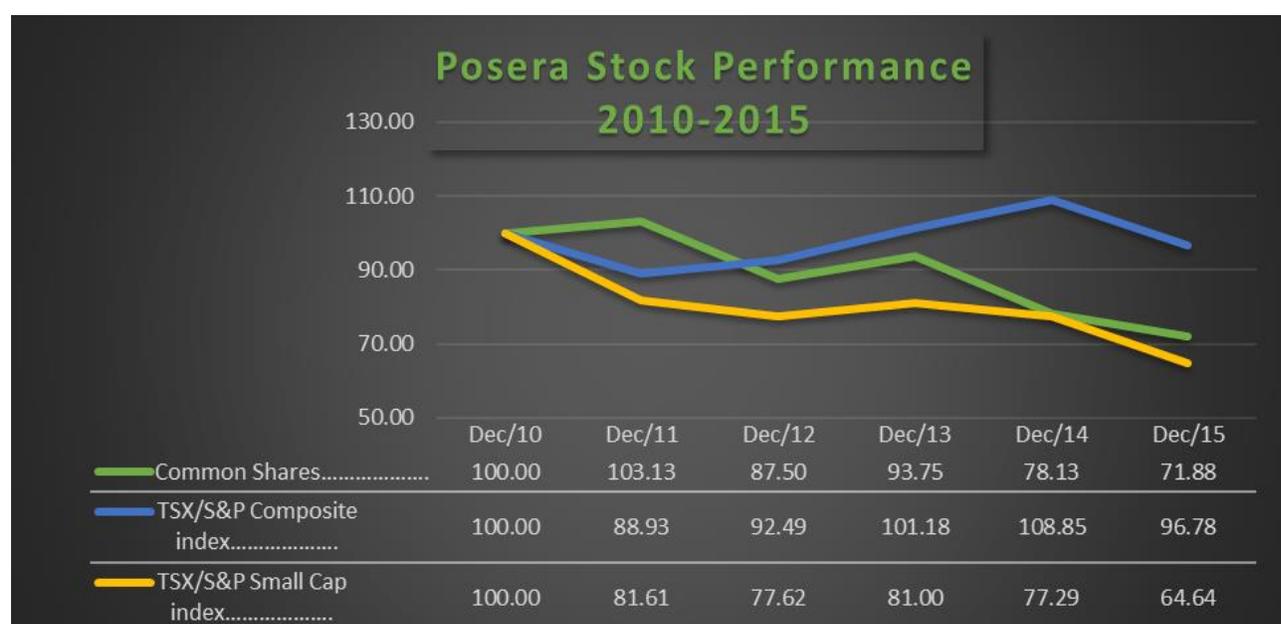
Insurance Coverage and Indemnification

Posera's directors and officers are covered under directors and officers liability insurance policies. Currently, the aggregate limit of liability applicable to the insured directors and officers under the policies is \$5 million inclusive of defense costs subject to a \$50,000 deductible. The policies include coverage for wrongful acts (including misleading statements), insuring against any legal obligation to pay on account

of any claims brought subject to policy exclusions. Posera's by-laws also provide for the indemnification of its directors and officers from and against liability and costs in respect of any action or suit against them in connection with the execution of their duties of office, subject to certain limitations. Posera has also entered into an individual indemnification agreement, each in identical terms, with each director and officer to indemnify each such director or officer to the fullest extent permitted by law in connection with any event or claim related to the individual being a director or officer of Posera or any subsidiary of Posera, and to set out the process for indemnification payments to be made.

Performance Graph

The following graph compares the percentage change in the cumulative shareholder return on the Common Shares compared to the cumulative total return of the S&P/TSX Composite Index and the TSX/S&P Small Cap Index from the January 1, 2011 to December 31, 2015, based on the price of the Common Shares, assuming a \$100 investment on January 1, 2011.



	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15
Actual Data:						
Common Shares	\$ 0.32	\$ 0.33	\$ 0.28	\$ 0.30	\$ 0.25	\$ 0.23
TSX/S&P Composite index	\$ 13,443.22	\$ 11,955.09	\$ 12,433.50	\$ 13,601.60	\$ 14,632.40	\$ 13,010.00
TSX/S&P Small Cap index	\$ 753.93	\$ 615.29	\$ 585.23	\$ 610.71	\$ 582.73	\$ 487.34

AGGREGATE INDEBTEDNESS

As of May 20th, 2016, no person who is, or who was at any time during the fiscal year-ended December 31, 2015, a director, executive officer, senior officer or employee, or a former director, executive officer, senior officer or employee, of the Corporation or a subsidiary thereof, and no person who is a proposed nominee for election as a director of the Corporation, and no associate of such persons, is, or was at any time since the beginning of the fiscal year-ended December 31, 2015, indebted to the Corporation or a subsidiary of the Corporation, nor has any such person been indebted at any time since the beginning of the fiscal year-ended December 31, 2015 to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or a subsidiary of the Corporation, other than Michel Cote who was indebted to the Corporation in amounts of \$53,725. This indebtedness has been agreed to be repaid in full throughout the next four years or waived in tranches if certain performance metrics are achieved by Mr. Cote.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS

The following table sets out for: (i) each individual who is, or at any time during the fiscal year ended December 31, 2015 was, a director or executive officer of the Corporation; (ii) each proposed nominee for election as a director of the Corporation; and (iii) each associate of any such director, executive officer or proposed nominee, the indebtedness of such person since January 1, 2015, 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.

Name and principal position	Involvement of the Corporation or subsidiary	Amount outstanding during fiscal year ended December 31, 2015 (\$)	Amount outstanding May 20, 2016 (\$)	Financially assisted Securities purchases during fiscal year ended December 31, 2015 (\$)	Security for indebtedness	Amount forgiven during fiscal year ended December 31, 2015 (\$)
Securities Purchase Programs:						
N/A						
Other Programs:						
Michel Cote, Vice-President, Business Development ⁽¹⁾	The Corporation is the Lender	\$53,725	\$54,763	nil	nil	nil

(1) The foregoing amounts that were loaned on December 31st, 2015 in order for Michel Cote to satisfy a debt owned by Mr. Cote pursuant to the terms of a settlement agreement relating to an indemnification claim under a share purchase agreement previously entered into between the Corporation, Mr. Cote, and others. These loans bear interest at 5% annually. The principal amounts of these loans were not an obligation until the settlement agreement was finalized for all terms and conditions with the Corporation by Mr. Cote during the last fiscal year.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board is responsible for the stewardship of the Corporation. The Board has a written mandate to govern the Corporation and to protect and enhance the assets of the Corporation in the long-term best interests of the shareholders. The governance structure – including the board and board committee mandates, board oversight and approvals framework, board issued policies, and a number of other elements – is regularly reviewed and revised as governance best practices evolve. For example, in the past several years' new rules, policies and suggested practices were adopted by the securities regulatory authorities in Canada in connection with corporate governance, disclosure, and audit committees. The Corporation has updated its governance programs to comply with the new requirements, and has also adopted suggested practices where they were considered to be appropriate for the Corporation and its stakeholders.

The following is an overview of the Corporation's corporate governance practices.

DIRECTOR INDEPENDENCE

The Board is responsible for determining whether or not each director is independent within the meaning of applicable securities laws. To do this, the Board analyzes whether each director is independent of management and free from any interest or any business or other relationship with the Corporation which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment.

At December 31, 2015, the directors of the Corporation were Messrs. Paul Howell, Paul Fornazzari, Loudon Owen, Michael Brown, David Del Chiaro and Gary Figueira. In the view of the Board, all these directors were and are independent within the meaning of the relevant CSA rules, except for Mr. Owen, as he is the CEO of the Corporation, Mr. Howell as he has been employed as an executive officer of the Corporation within the last three years and Mr. Fornazzari, as his law firm acts as the Corporation's counsel, at that time. None of the other three directors have worked in the day-to-day operations of the Corporation or is a party to any material contracts with the Corporation or has a direct or indirect material relationship with the Corporation so as not to be independent for the purposes of being a director, within the meaning of the applicable definitions in section 1.2 of NI 58-101 and section 1.4 of Multilateral Instrument 52-110 – Audit Committees ("MI 52-110").

See "Particulars of Matters to be Acted Upon – Election of Directors" for more information about each director.

Directorships of Other Reporting Issuers

Mr. Owen is a director of Genesis Land Development Corp., which is publicly traded on the Toronto Stock Exchange ("TSX"), Khan Resources Inc., which is publically traded on the Toronto Stock Exchange, Kilo Goldmines Ltd., which is publicly traded on the TSX Venture Exchange and Aureus Mining Inc., which is publically traded on the TSX Venture Exchange and the Alternative Investment Market ("AIM"), which is a sub-market of the London Stock Exchange.

Mr. Nordholm is a director of Biox Coporation, which is publicly traded on the Toronto Stock Exchange ("TSX"),

Meetings of the Board

The governance framework has been designed to enable the Board to function independently. At every regular board meeting, an in camera session is scheduled for all non-management directors. The Board and the committees regularly invite members of management to attend meetings to report on relevant subjects and facilitate communication between the directors and management.

Independent Chair

Prior to the October 23, 2015 appointment of Mr. Owen as the CEO of the Corporation, the Corporation separated the roles of the Chair of the Board and the CEO to enable the independence of the Board. Mr. Owen prior to October 23, 2015 was an independent director who was appointed Chair of the Board and has served as the principal liaison between the Board and management. In addition, as Chair of the Board, he ensured that the Board operated independently of management and that directors had an independent leadership contact. He managed the affairs of the Board with a view to ensuring that the Board functioned effectively and met its obligations and responsibilities to shareholders. Subsequent to October 23, 2015, the Chair of the Board and the CEO position have not been separated. The Board is in the process of assessing the implications of not having the roles of Chair of the Board and CEO separated. This analysis will assess the leadership structure of the independent directors.

Attendance of Current Directors in 2015

Director	Board Meetings
Paul Howell ⁽¹⁾	5 of 5
Paul Fornazzari ⁽³⁾	3 of 5
Loudon Owen ⁽²⁾	5 of 5
Michael Brown ⁽⁴⁾	4 of 5
David Del Chiaro ⁽⁴⁾	5 of 5
Gary Figueira ⁽⁴⁾	4 of 5
Edwin Nordholm ⁽⁵⁾	0 of 5

Notes:

- (1) Appointed as a director in November 2006
- (2) Appointed as a director in June 2006
- (3) Appointed as a director in June 2009
- (4) Appointed as a director in October 2011
- (5) Prospective director per the May 20th, 2016 Information Circular.

BOARD MANDATE

As stated above, the Board is responsible for the stewardship of the Corporation. The mandate of the Board, more fully set out in Schedule "A" to this Information Circular, describes the Board's responsibilities and provides a list of specific matters which the Board must oversee and/or approve. The Board discharges its responsibilities directly, and through committees constituted by the Board.

POSITION DESCRIPTIONS

The Board has approved descriptions of the roles and responsibilities for the Chair of the Board and the CEO, outlining their respective authorities and responsibilities. The HRCG&N Committee reviews and recommends to the Board for approval the corporate objectives that the CEO is responsible for meeting.

The CEO's performance evaluation is the responsibility of the Chair of the Board with input from the full Board.

ORIENTATION AND CONTINUING EDUCATION

In conjunction with the Chair, the HRCG&N Committee is responsible for the orientation and training of new directors.

When a director is elected to the Board, he or she will be given a letter of appointment outlining his or her duties, responsibilities, and remuneration, and an orientation package including material that will assist in familiarizing the new director with the Corporation.

On a frequent basis, members of management attend Board meetings or provide briefing papers to provide insights to the directors on the Corporation's operations, industry developments and the competitive landscape, or trends in governance matters, in order to keep the directors informed and up to date.

DIVERSITY

Posera recognizes the potential benefit of gender diversity in leadership positions, including with respect to its Board and executive officer positions. Diversity, including gender diversity, is considered in assessing potential candidates for appointment to the Board and to executive officer positions. However, the Board is of the view that it is in the best interests of the Corporation that all appointments are made on merit in the context of the skills, expertise and experience the Corporation requires. The Board recognizes the importance of having the flexibility to appoint qualified candidates when they are available, which may mean adding male or female candidates, and as a result cannot commit to selecting a candidate whose gender is a decisive factor in their appointment. Based on the foregoing, the Board has not adopted a formal policy concerning gender diversity for the Board or with respect to executive positions in the Corporation or a formal target to be achieved by a specified date for the gender composition of the Board or executive officers.

The Board's primary objective in the director identification and selection process, as set out above, is the identification of candidates possessing the skills, expertise and experience the Corporation requires, with gender not being a decisive factor in the candidate's selection.

As described above, the Board's primary objective in the executive officer identification and selection process is the identification of candidates possessing the skills, expertise and experience the Corporation requires, with gender not being a decisive factor in the candidate's selection. To the extent that the Board believes that executive officers need to be replaced or new executives hired diversity, including gender diversity will be part of the selection process.

Given that the Board's primary objective in director and executive officer identification and selection is the identification of candidates possessing the skills, expertise and experience the Corporation requires and in light of the Corporation's relatively small number of directors and officers, the Corporation has not adopted a formal target to be achieved by a specified date for the gender composition of the Board or executive officers.

Currently, there are no women on the Board or in the position of executive officer of the Corporation.

ETHICAL BUSINESS CONDUCT

The Board has adopted a code of ethical business conduct (the "Code"), which summarizes the standards of business conduct that are to guide the actions of all directors, officers and employees of the

Corporation. The goal of the Code is to promote, above all, honest and ethical conduct and fair dealing in all business relationships with respect to all of the Corporation's stakeholders – including its shareholders, customers, suppliers, other business partners, regulators, and employees.

In addition, the Corporation has adopted "whistleblower" procedures so that an employee can report, on an anonymous basis if preferred, concerns that he or she may have regarding accounting, internal accounting controls or auditing matters as well as compliance with the Code. The Board is responsible for monitoring compliance with the Code and only the HRCG&N Committee of the Corporation or the Board may waive the application of any provision of the Code to a director or officer of the Corporation. Any amendments to the Code may only be made by the Board.

The Code was adopted in 2006. There were no material change reports filed during the fiscal year ended December 31, 2015 that relate to conduct which would have represented departures from the Code by any directors or officers of the Corporation.

A director or officer who is directly a party to a material transaction or is a director or officer of a party to a material transaction with the Corporation must disclose in writing the nature and extent of his or her interest in the transaction and subject to certain statutory exceptions shall not vote on any resolution to approve the transaction, all as detailed in the OBCA.

A copy of the Code is available on the Corporation's website at www.posera.com or on SEDAR at www.sedar.com.

HRCG&N COMMITTEE

The HRCG&N Committee of the Board is composed of one independent director and one director who is deemed to be non-independent under the CSA rules. The HRCG&N Committee recommends to the Board such compensation policies for the Chair of the Board, the directors and executive management to ensure alignment with shareholders' interests and corporate performance.

When reviewing candidates, the HRCG&N Committee takes into consideration factors such as the candidate's skills, commitment, and ability to add value to the Board. The candidate must have business experience compatible with the Corporation's strategic and business objectives, the ability to devote the time required, show support for the Corporation's mission and strategic objectives, and be willing to serve.

The HRCG&N Committee may engage outside advisors to assist in identifying qualified candidates. The charter of the HRCG&N Committee requires that all committee members satisfy the applicable independence requirements of NI 58-101, National Policy 58-101 Corporate Governance Guidelines ("NP 58-201"), and other regulatory requirements.

The HRCG&N Committee reviews directors' and officers' compensation once a year, and makes its recommendations to the Board. To make its recommendations, the HRCG&N Committee takes into account the types of compensation and the amounts paid to directors and officers in comparable publicly-traded Canadian companies.

Board members (except for Mr. Howell prior to his stepping down from CEO in September, 2015 and subsequently Mr. Owen upon his appointment to CEO in October, 2015) are compensated for serving as directors of the Corporation and as Chairs or members of committees of the Board through a combination of stock options, cash compensation consisting of retainer fees and meeting fees, and reimbursement of reasonable related expenses. Specific details of the compensation of directors are provided under the heading, "Compensation of Directors".

The HRCG&N Committee is responsible to review and recommend to the Board the compensation for the CEO and may approve the compensation for each other member of executive management. It also reviews management's recommendations for the granting of stock options to executive management and other key employees of the Corporation.

The HRCG&N Committee is also responsible to review the appointments and succession planning for executive management, and has oversight responsibility for the Corporation's general human resources policies and practices.

AUDIT COMMITTEE

The charter of the Audit Committee of the Corporation is set out on pages 25 to 29 in the Corporation's Annual Information Form filed on March 30th, 2016 with the regulatory authorities and is available on the SEDAR website at www.sedar.com.

Report of the Audit Committee is provided under the heading, "Report of the Audit Committee".

OTHER BOARD COMMITTEES

The only board committees that the Corporation currently has are the Audit Committee and the HRCG&N Committee. However, the Board may form one or more special committees from time to time as required to review particular matters or transactions.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board is comprised of three directors. As of the date of this Information Circular, the members of the Audit Committee are David Del Chiaro, Michael Brown and Gary Figueira, each being an independent director, with Mr. Del Chiaro being the chair. Each of Messrs. Del Chiaro, Brown and Figueira are financially literate under the standards established by Canadian securities regulatory authorities in NI 52-110.

The Audit Committee is responsible for the Corporation's financial reporting process and the quality of its financial reporting. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management and the external auditors and monitor independence of those auditors. In 2004, the Audit Committee formally adopted an Audit Committee charter, which sets forth purposes of the Audit Committee and guidelines for its practices.

The composition of the Audit Committee complies with the provisions of NI 52-110. Under its charter, the Audit Committee's primary duties and responsibilities are:

- to identify the current areas of greatest financial risk and its effective management by the management;
- to review the Corporation's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives;
- to monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting appropriateness and compliance;
- to monitor the independence and performance of the Corporation's external auditors;
- to provide an avenue of communication among the external auditors, management and the Board; and
- to review the annual audited financial statements with management and the external auditors and review the interim financial statements with management.

In carrying out its duties and responsibilities, the Audit Committee is required to perform the following tasks:

Review Procedures

- reviewing the Corporation's annual audited and interim financial statements and related documents prior to filing or distribution; reviewing should include discussion with management and external auditors of significant issues regarding accounting principles, practice, and significant management estimates and judgments;
- reviewing problems found in performing the audit, such as limitations or restrictions imposed by management or situations where management seeks a second opinion on a significant accounting issue;
- reviewing emerging accounting issues and their potential impact on the Corporation's financial reporting;
- reviewing the conclusions reached in the evaluation of management's internal control systems by either the internal or external auditors, and management's responses to any identified weaknesses;
- reviewing with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements; and
- reviewing the expenses of the Chair of the Board and Chief Executive Officer of the Corporation quarterly.

External Auditors

- reviewing the independence and performance of the auditors and annually recommending to the Board the appointment of the external auditors;
- approving the appointment, compensation and work carried out by the external auditors, including the provision of both audit related and non-audit related services;
- reviewing the report of the external auditors on the annual audited consolidated financial statements;
- reviewing major positive and negative observations of the external auditors during the course of the audit; and
- reviewing with management and the external auditors, the Corporation's major accounting policies including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results.

Internal Audit and Legal Compliance

- reviewing the scope of responsibilities and effectiveness of the internal audit group (if any) including internal audit reporting lines and their working relationship with the external auditors; and
- reviewing the annual audit plans of the internal (if any) and external auditors of the Corporation.

The Audit Committee reviewed all related party transactions between the Corporation and its subsidiaries and the officers and directors of the Corporation. The Committee determined that there were no related party transactions that required disclosure under any securities laws other than the following, as disclosed in the year-end financial statement of the Corporation.

On September 25, 2015 Mr. Paul K. Howell stepped down as Chief Executive Officer ("CEO") of the Corporation.

The Corporation recognized revenue from a company, Howell Data Systems Inc. ("**HDS**") controlled by the Corporation's former CEO and current director, during the year ended December 31, 2015, in the amount of \$48,153 (2014 - \$41,346). Additionally, the Corporation recognized operating expenses and purchased products of \$305,321 during the year ended December 31, 2015 (2014 - \$291,253) from HDS.

All transactions between the parties were completed at market rates. As at December 31, 2015, HDS owes the Corporation \$33,390 (December 31, 2014 - \$30,896), and the Corporation owes HDS \$121,198 (December 31, 2014 - \$97,299), which amounts will be settled between the related parties in the normal course of business.

During the year ended December 31, 2015, the Corporation received invoices for legal fees and disbursements totaling \$128,610 (2014 - \$135,343), from law firms of which a director of the Corporation is and/or was a partner. As at December 31, 2015, the Corporation has a payable position of \$52,115 (December 31, 2014 - \$112,075) which will be settled between the related parties in the normal course of business.

This director is partner at a law firm the Corporation utilizes and previously, this director was a partner of another law firm that the Corporation utilizes. As the director no longer has an equity interest in the previous law firm, the Corporation has not included the payables to the former law firm as a related party transaction at December 31, 2015, but the Corporation has included expenditures incurred for the period that the director was a partner at each respective firm.

Compensation of Key Management

Compensation awarded to key management includes the Corporation's directors, and members of the Executive team, which include the Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer and Senior Vice-President of Corporate Development, is as follows:

	Year ended December 31, 2015	Year ended December 31, 2014
Salaries and short-term employee benefits	\$ 1,104,845	\$ 1,051,807
Share-based payments	37,797	248,511
Total	\$ 1,142,642	\$ 1,300,318

The salaries and short-term employee benefits are expensed as occurred, whereas the share-based payments are recorded at the date of grant and expensed over the vesting period to the Consolidated Statements of Operations and Comprehensive Loss. The Corporation granted Nil options during the year-ended December 31, 2015 (2014 – 990,000) to directors in place of cash compensation for directors fees earned for fiscal 2015 and 2014.

The Committee is satisfied that it appropriately fulfilled its mandate during the year ending December 31, 2015.

This report is submitted by the Audit Committee.

ADDITIONAL INFORMATION

Additional information about Posera Ltd., including financial information, is contained in the Corporation's 2015 audited annual and unaudited quarterly financial statements, annual and quarterly management discussion and analysis and other continuous disclosure documents available on the SEDAR website at www.sedar.com. The Corporation's website has been designed for customers and investors and includes data and information of interest to the investing community. The website provides access to the latest events affecting the Corporation's performance, including press releases and financial reports.

These documents are also available upon request to the Secretary, Posera Ltd., 350 Bay Street, Suite 700, P.O. Box 6, Toronto, Ontario M5H 2S6.

APPROVAL OF DIRECTORS

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

“David Del Chiaro”

David Del Chiaro
Director, Chair of the Audit Committee

“Loudon Owen”

Loudon Owen
Chairman of the Board and Chief Executive Officer

DATED this 20th day of May, 2016

SCHEDULE "A"
THE MANDATE OF THE BOARD OF DIRECTORS OF
POSERA LTD.

A. General

The Board of Directors (the "Board") of Posera Ltd. (the "Corporation") is responsible for the stewardship of the Corporation. The Board is to govern the Corporation and to protect and enhance the assets of the Corporation in the long-term best interests of all shareholders. Each director in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Although directors may be elected by the shareholders to bring special expertise or a special point of view to Board deliberations, they are generally not chosen to represent a particular constituency exclusively and must act in the best interests of the Corporation at all times.

The Board, through its deliberations and actions should seek to take into account the following stakeholders:

Shareholders – to enhance value
Customers – to enhance customer relationships
Employees – to provide an equitable and safe work environment
Suppliers – to enhance relationships
Community – to encourage good corporate citizenship

The involvement and commitment of directors is evidenced by regular preparation for, attendance at, and active participation in, Board and committee meetings, and by performing in the interest of shareholders.

While the Board is called upon to "manage" the business of the Corporation, this is done by proxy through the Chief Executive Officer, who is charged with the day-to-day leadership and management of the Corporation. The CEO's prime responsibility is to lead the Corporation. The CEO formulates company policies and proposed action plans in conjunction with the management team and presents the policies and plans to the Board for approval. The Board approves the goals, the objectives and policies within which the Corporation is managed and then steps back and evaluates management performance. Reciprocally, the CEO keeps the Board fully informed of the progress of the Corporation towards achievement of its established goals and of all material deviations.

B. Specific Responsibilities

The Board, or any committee of the Board to which the Board has delegated the specific responsibility, shall have the following responsibilities:

1. represent the shareholders;
2. protect and enhance the Corporation's assets;
3. commission and approve strategic, business, and capital plans that enhance shareholder value;
4. ensure that specific and relevant corporate measures are developed and adequate controls and information systems are in place with regard to business performance;
5. monitor progress and efficiency of strategic, business, and capital plans and take appropriate action when performance falls short of goals;
6. supervise compliance with statutory requirements;
7. selection, evaluation, compensation and succession of the CEO and supervise the development and implementation of programs for management succession and development;

8. provide support, guidance, and counsel to the CEO;
9. adopt a communications and disclosure policy for the Corporation and require appropriate and timely communication to shareholders;
10. appoint committees that are appropriately configured;
11. monitor overall safety and security;
12. put processes or programs in place to identify the principal risks of the business and ensure the implementation of appropriate systems to manage these risks;
13. satisfy itself, to the extent feasible, as to the integrity of the CEO and other executive officers, and that the CEO and other executive officers create a culture of integrity throughout the Corporation; and
14. to the extent not otherwise referred to above, review and as appropriate approve all proposed transactions and matters described under the heading "C. Decisions Requiring Approval of the Board".

C. Decisions Requiring Approval of the Board

Only the Board, or any committee of the Board to which the Board has delegated the specific approval authority, shall have the authority to approve the following:

Strategic Matters

1. strategic plans;

Financial Matters

2. annual business and capital plans;
3. annual financial statements and auditors report;
4. quarterly financial statements;
5. capital expenditures in excess of \$150,000;
6. acquisitions/divestitures;
7. significant refinancing opportunities;
8. dividend policy;
9. share re-purchase programs;
10. press releases related to financings, acquisitions and divestitures or material changes in branding and strategic direction, as deemed necessary by the Chair;

Human Resources Matters

11. appointment/succession/dismissal of CEO;
12. compensation for CEO;
13. executive compensation schemes and incentive plans;
14. employment/termination agreements for corporate officers;

Administration and Compliance Matters

15. appointment of Board committees;
16. Board and committee charters;
17. director nominees;
18. recommendation of shareholders' auditors;
19. offering memoranda and/or proxy circulars;
20. appointment of Chair;
21. major policies; and

Other Matters

22. such other matters as are mandated by the board or are required by law to be approved by the Board.

D. Regulatory Framework

The predecessor to the Corporation was incorporated on October 22, 2001 under the *Business Corporations Act* (Ontario) ("**OBCA**") and the Corporation was reorganized on October 7, 2011. Its head office is located in Toronto, Ontario, Canada. The Corporation's Common Shares are listed on the Toronto Stock Exchange ("**TSX**"). Consequently, the Corporation and the Board must act in accordance with:

- the OBCA;
- the Corporation's Articles of Incorporation and By-Laws;
- the rules of the TSX;
- the regulatory oversight by the Ontario Securities Commission, as the Principal Regulator of the Corporation in connection with the capital markets in Canada;
- various National Instruments, Multilateral Instruments and Policies enacted by Canadian Securities Administrators; and

other laws applicable to the Corporation and its business.

SCHEDULE "B"

**RESOLUTION TO AMEND THE TERMS OF THE CORPORATION'S 2011 STOCK OPTION
INCENTIVE PLAN**

Resolved that:

1. the amendment of the 2011 Stock Option Incentive Plan of the Corporation (the "Plan") to increase the maximum number of Common Shares that may be issued upon the exercise of stock options granted under this Plan, to not in excess of 15% of the issued and outstanding Common Shares at the time of grant, from the current 10% threshold, which amendment was approved by the Board of Directors, be approved;
2. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determined to be necessary in order to give full effect to the intent and purpose of this resolution.

SCHEDULE "C"

BY-LAW NO. 2

ADVANCE NOTICE BY-LAW

(Adopted by the Board of Directors with immediate effect on September 28, 2015)

POSERA-HDX LIMITED

(the "Corporation")

INTRODUCTION

The Corporation is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allowing shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of this Advance Notice By-law (this "**By-Law**") is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. This By-Law fixes a deadline by which holders of record of common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

It is the position of the Corporation that this By-Law is in the best interests of the Corporation, its shareholders and other stakeholders. This By-Law will be subject to an annual review if and as considered appropriate by the Board, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

NOMINATIONS OF DIRECTORS

1. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board of directors of the Corporation (the "**Board**") may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:
 - (a) by or at the direction of the Board, including pursuant to a notice of meeting;
 - (b) by or at the direction or request of one or more shareholders of the Corporation pursuant to a "proposal" made in accordance with section 99(1)(a) of the Business Corporations Act (Ontario) (the "Act"), or a requisition of the shareholders made in accordance with section 105(1) of the Act; or
 - (c) by any person (a "**Nominating Shareholder**") who: (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this By-Law and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and (ii) complies with the notice procedures set forth below in this By-Law.

2. In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.
3. To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:
 - (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

4. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth:
 - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the principal occupation, business or employment of the person for the most recent five years, and the name and principal business of any company in which any such employment is carried on; (iii) the citizenship of such person; (iv) the number of securities of each class or series of securities in the capital of the Corporation which are owned beneficially or of record by the person or under the control or direction, directly or indirectly, of the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (v) such person's written consent to being named in the notice as a nominee and to serving as a director of the Corporation if elected; and (vi) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
 - (b) as to the Nominating Shareholder giving the notice: (i) the name and address of such Nominating Shareholder, as they appear on the securities register of the Corporation; (ii) the number of securities of each class or series of securities of the Corporation owned of record and beneficially by, or under the control or direction of, directly or indirectly, such Nominating Shareholder; (iii) full particulars regarding any agreement, arrangement or understanding with respect to the nomination between or among such Nominating Shareholder, any of their respective affiliates or associates, and any others acting jointly or in concert with any of the foregoing, including the nominee; (iv) full particulars regarding any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock

appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the notice by, or on behalf of, such Nominating Shareholder, whether or not such instrument or right shall be subject to settlement in underlying securities of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such Nominating Shareholder with respect to securities of the Corporation; (v) full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct or control the voting of any securities of the Corporation; and (vi) any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

In addition, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.

5. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-Law; provided, however, that nothing in this By-Law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
6. For purposes of this By-Law:
 - (a) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
 - (b) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
7. Notwithstanding any other provision of this By-Law, notice given to the Corporate Secretary of the Corporation pursuant to this By-Law may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this By-Law.
9. This By-Law was approved and adopted by the Board on September 28, 2015 (the "**Effective Date**") and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date. Notwithstanding the foregoing, if this By-Law is not approved by ordinary resolution of shareholders of the Corporation present in person or voting by proxy at the next meeting of those shareholders validly held following the Effective Date, then this By-Law shall terminate and be void and of no further force and effect following the termination of such meeting of shareholders.
10. This By-Law shall be interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in that province.

SCHEDULE “D”
STOCK OPTION PLAN RE-APPROVAL RESOLUTION

1. the Board of Directors of a predecessor of the Corporation adopted on July 29, 2011 a stock option plan (the “**Stock Option Plan**”) which does not have a fixed maximum number of Common Shares issuable hereunder;
2. the shareholders of the Corporation approved the unallocated options available under the Stock Option Plan, by a majority of votes cast, on June 18, 2014;
3. the rules of Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years;

BE IT RESOLVED THAT:

1. all unallocated options under the Stock Option Plan be and are hereby approved; and
2. the Corporation have the ability to continue granting options under the Stock Option Plan until June 29, 2019, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval is being sought;
3. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determined to be necessary in order to give full effect to the intent and purpose of this resolution.

POSERA

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