

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**  
**And**  
**MANAGEMENT INFORMATION CIRCULAR**  
**POSERA-HDX LIMITED**

**Meeting Date:**  
**June 24, 2015**

These materials are important and require your immediate attention. They require shareholders of Posera – HDX Limited 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 Meeting and Management Information Circular, please contact Kevin Mills, Chief Financial Officer of Posera – HDX Limited at (416) 703-6462 ext. 2203.

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# POSERA-HDX LIMITED

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting (the "Meeting") of the shareholders of Posera-HDX Limited (the "Corporation" or "HDX") will be held at the offices of Gowling Lafleur Henderson LLP, Suite 1600, 1 First Canadian Place, 100 King Street West, Toronto, Ontario M5X 1G5, on Wednesday, June 24, 2015, 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, 2014;
2. to elect directors for the ensuing year;
3. to appoint auditors and to authorize the directors to fix their remuneration;
4. 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 2014 Annual Report, Management Information Circular and a form of Proxy accompany this Notice of Annual Meeting.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is May 15<sup>th</sup>, 2015. 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, 2014 and the audit report are included in the Corporation's 2014 Annual Report.

DATED at Toronto, Ontario this 12<sup>th</sup> day of May, 2015.

*By order of the Board of Directors,*

*"Paul Howell"*

*"Loudon Owen"*

Paul Howell  
Director, Chief Executive Officer and President

Loudon Owen  
Chairman of the Board of Directors

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 22<sup>nd</sup>, 2015, or be presented at the Meeting.

## **POSERA-HDX LIMITED**

### **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-HDX Limited (the "Corporation") for use at the Annual Meeting of the shareholders of the Corporation (the "Meeting") to be held at 4:00 p.m. Toronto time, on Wednesday, June 24, 2015, 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 12<sup>th</sup>, 2015 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 22<sup>nd</sup>, 2015, or be presented at the Meeting.

#### **REVOCAION 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 Company 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.

### **NOTICE-AND-ACCESS**

In November 2012, the Canadian Securities Administrators announced the adoption of regulatory amendments to securities laws governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to advise their shareholders of the availability of all proxy-related materials on an easily-accessible website, rather than mailing physical copies of the materials. The Corporation has decided to deliver the Meeting materials to all registered and beneficial Shareholders by posting the Meeting materials on the website <https://noticeinsite.tmxequity.com/PoseraHDXAM2015> and will remain on such website for one full year. The Meeting materials will also be available on SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders who wish to receive paper copies of the Meeting materials may request copies by calling toll-free in North America at 1-866-393-4891. Meeting materials will be sent to such Shareholders at no cost to them.

All Shareholders will receive a notice-and-access notification which will contain information on how to obtain electronic and paper copies of the Meeting materials in advance of the Meeting.

## VOTING SHARES

A record date of May 15<sup>th</sup>, 2015 (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 shareholders of the Corporation's common shares (the "Common Shares") of record at the close of business on May 12<sup>th</sup>, 2015 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 12<sup>th</sup>, 2015, 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, 2014 are included in the Corporation's 2014 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.hdxsolutions.com](http://www.hdxsolutions.com) and on the SEDAR website at [www.sedar.com](http://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 of Directors 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 of Directors. 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 of Directors. The Board of Directors 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:

<b>Name and municipality of residence</b>	<b>Present principal occupation</b>	<b>Year first became director</b>	<b>Common Shares beneficially owned, directly or indirectly, or controlled or directed</b>	<b>Number of options held</b>
Paul Howell Carlisle, Ontario	CEO of the Corporation; President and CEO of Howell Data Systems Inc.	November 2006 <sup>(3,4)</sup>	5,488,454	250,000
Paul Fornazzari <sup>(2)</sup> Toronto, Ontario	Partner of Gowling Lafleur Henderson LLP	June 2009 <sup>(3,4)</sup>	Nil	607,900
Loudon Owen Toronto, Ontario	Managing Partner of McLean Watson Capital Inc.	June 2006 <sup>(3,4)</sup>	44,117	1,064,431
Michael Brown <sup>(1)</sup> Toronto, Ontario	Independent Consultant	October 2011 <sup>(4)</sup>	Nil	292,763
David Del Chiaro <sup>(1)(2)</sup> Forest, Ontario	Independent Consultant	October 2011 <sup>(4)</sup>	1,068,000	444,357
Gary Figueira <sup>(1)</sup> Toronto, Ontario	Independent Consultant	October 2011 <sup>(4)</sup>	Nil	292,763

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-HDX Inc.
- (4) All directors first became directors of Posera-HDX Limited on October 7, 2011, Messrs. Brown, Del Chiaro and Figueira were not previously on the board of Posera-HDX Inc.

The following are brief profiles of the proposed directors of Posera-HDX Limited, including a brief description of each individual's principal occupation within the past five years and includes Directorships of Other Reporting Issuers:

*Paul Howell –CEO*

Mr. Howell has 25 years of experience in the retail systems industry and has been the CEO and a Director of Posera-HDX Ltd. since November 2006. Mr. Howell has lead the Company through ten corporate acquisitions, four rounds of public company financing, and a corporate reorganization that allowed the Company to liquidate non-core business assets thereby realizing significant cash in-flow.

Mr. Howell founded Howell Data Systems Inc. (“HDS”) and has been its President and CEO since 1992. He has successfully managed the development of multiple successful software solutions and has overseen the distribution of point-of-sale and enterprise management software to thousands of end users. Mr. Howell has managed relationships with many leading North American retailers and has had direct responsibility for the sale, deployment, and ongoing support of many multi-million dollar retail system sales and service contracts. Mr. Howell has managed vendor relationships with international tier one hardware manufacturers. Mr. Howell has managed hundreds of employees throughout his career and has built successful software development teams, customer support teams, and sales / account management teams.

*Paul Fornazzari - Director*

Mr. Fornazzari is a partner in Gowlings’ Toronto office and the former national leader of Gowlings’ Corporate Finance, Securities and Public M&A Group. 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 – 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: Genesis Land Development Corp. (TSX), Kilo Goldmines (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 Company 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 recently 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.

*Cease Trade Orders or Bankruptcies*

To the knowledge of HDX, 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 Annual Information Form 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\$3.8 billion. 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 served as a director of Hanfeng until January 24, 2014.

To the knowledge of the Company, 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 Annual Information Form, 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-HDX Inc. 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.**

### 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 Gowling Lafleur Henderson LLP, one of Canada’s largest law firms and the former national leader of its Corporate Finances, Securities and Public M&A Group. 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 Gowlings 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, 2014 (the "Named Executive Officers") for services rendered during the fiscal years ended December 31, 2014, 2013 and 2012.

Name and Principal Position	Year				Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation <sup>(5)</sup> (\$)	Total compensation (\$)
		Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(8)</sup> (\$)	Long-term incentive plans (\$)	Long-term incentive plans (\$)			
Paul Howell <sup>(2)</sup> CEO	2014	\$250,000	Nil	Nil	Nil	Nil	Nil	\$9,600	\$259,600
	2013	\$226,923	Nil	Nil	Nil	Nil	Nil	\$9,600	\$236,523
	2012	\$209,600	Nil	Nil	Nil	Nil	Nil	Nil	\$209,600
Michel Cote <sup>(6)</sup> President	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
	2012	\$223,266	Nil	\$8,007	Nil	Nil	Nil	\$19,068	\$250,341
Sol Korngold <sup>(3)</sup> COO	2014	\$143,715	Nil	Nil	Nil	Nil	Nil	\$7,431	\$151,146
	2013	\$127,077	Nil	Nil	Nil	Nil	Nil	Nil	\$127,077
	2012	\$127,077	Nil	\$6,460	Nil	Nil	Nil	Nil	\$133,537
Kevin Mills <sup>(4)</sup> CFO	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
	2012	\$140,000	Nil	\$14,467	Nil	Nil	Nil	\$9,600	\$164,067
Allen Shulman <sup>(7)</sup> Senior Vice-president of Corporate Business Development	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
	2012	\$194,190	Nil	\$8,007	Nil	Nil	Nil	\$19,165	\$221,362

Notes:

- (1) Posera-HDX 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.
- (3) Mr. Korngold was appointed as the Chief Operating Officer on December 29, 2006.
- (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-HDX on May 1, 2010 and was appointed as the President on that date.
- (7) Mr. Shulman joined Posera-HDX on May 1, 2010 and was appointed as the Senior Vice-President of Corporate Business Development on that date.
- (8) 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*

#### ***Paul Howell —CEO and President***

Effective as of September 1, 2014 Posera-HDX Ltd. and Mr. Paul Howell amended the terms and restated in its entirety the employment agreement initially entered into as of February 20, 2009 (the "Restated Howell

Employment Agreement"). Pursuant to the Restated Howell Employment Agreement Mr. Howell will continue to serve as President and Chief Executive Officer of Posera-HDX Ltd. Posera-HDX agreed to pay Mr. Howell a base salary of \$300,000 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. Howell and the Compensation Committee. In addition, Mr. Howell is entitled to participate in Posera-HDX's Stock Option Plan and group insurance benefits. Mr. Howell is entitled to six weeks paid vacation per year, as well as reimbursement of certain expenses. The Howell Restated Employment Agreement imposes confidentiality obligations on Mr. Howell, 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. The Howell Restated Employment Agreement also imposes certain intellectual property ownership restrictions on Mr. Howell. Posera-HDX may terminate the Howell Employment Agreement for cause, or without cause upon providing Mr. Howell with a lump sum payment equal to 12 months' base salary and 100% of the bonus earned based upon the percentage of targets met and weighting. If Mr. Howell tenders his resignation within 60 days of a change of control of Posera-HDX, Mr. Howell is entitled to receive an amount equal to 12 months' base salary and 100% of the bonuses earned based upon the percentage of targets met and weighting, accrued and unpaid expenses and value of vacation pay or unused vacations. If the change of control transpires before the end of 2015 the base salary and bonus will be prorated accordingly. In addition, all outstanding options held by Mr. Howell which were scheduled to vest within 18 months of Mr. Howell's termination without cause will vest upon termination and will be exercisable until their expiry date and any options scheduled to vest after 18 months of Mr. Howell's termination without cause will vest on a *pro rata* basis based on such 18 months period and the scheduled vesting date and such vested options will be exercisable until their expiry dates.

***Michel Cote — President***

Posera-HDX Inc. and Mr. Michel Cote entered into an employment agreement as of April 30th, 2010 (the "Cote Employment Agreement"), which agreement was transferred to Posera-HDX Limited pursuant to the plan of arrangement. Mr. Cote acts as the President of Posera - HDX on 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 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 - HDX 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 - HDX, 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.

***Sol Korngold — COO***

Posera-HDX Inc. and Mr. Sol Korngold entered into an employment agreement as of December 29, 2006, which agreement was transferred to Posera-HDX Limited pursuant to the plan of arrangement. Mr. Korngold acts as the Chief Operating Officer for Posera-HDX 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-HDX 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-HDX for a three-year term. On November 11, 2010 Posera-HDX 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-HDX 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-HDX, 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 of Corporate Business Development***

Posera - HDX 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 acts as the Senior Vice-president of Corporate Business Development for Posera - HDX 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 - HDX 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 - HDX, 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.

*2014 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, 2014. 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-HDX Shares is "in-the-money" when it can be exercised at a profit. This happens when the market value of the Posera-HDX 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, 2014, 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-HDX 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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Paul Howell	250,000	\$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
	100,000	\$0.30	December 10, 2015	Nil	Nil	Nil

Notes:

- (1) The value of the unexercised options is based on the December 31, 2014 closing price on the TSX of \$0.25 for each Posera-HDX 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
Michel Cote	\$2,089	N/A	N/A
Sol Korngold	N/A	N/A	N/A
Kevin Mills	\$2,089	N/A	N/A
Allen Shulman	\$2,089	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-HDX by the Named Executive Officers during the financial year ended December 31, 2014.

Order Name	Company 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
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-HDX 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-HDX 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 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-HDX issued a total of 1,139,339 options to purchase Common Shares of Posera-HDX to members of the Board in respect of their services rendered to Posera-HDX 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 Company did not issue any Compensation Options for services rendered by the Board during the year-ended December 31, 2013. The Company has accrued the Boards fees as at December 31, 2013. On April 18, 2014, Posera-HDX issued a total of 990,000 options to purchase Common Shares of Posera-HDX to members of the Board in respect of their services rendered to Posera-HDX 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.

### 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-HDX for most recently completed financial year ending December 31, 2014.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Paul Howell <sup>(1,5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Fornazzari <sup>(3,6)</sup>	22,000	Nil	Nil	Nil	Nil	Nil	22,000
Loudon Owen <sup>(2,6)</sup>	48,000	Nil	Nil	Nil	Nil	Nil	48,000
Michael Brown <sup>(4,6)</sup>	17,000	Nil	Nil	Nil	Nil	Nil	17,000
David Del Chiaro <sup>(4,6)</sup>	27,000	Nil	Nil	Nil	Nil	Nil	27,000
Gary Figueira <sup>(4,6)</sup>	17,000	Nil	Nil	Nil	Nil	Nil	17,000

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-HDX Limited 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) The Company accrued for all of the Fees earned during fiscal 2013 and the first quarter of 2014 for the Directors. On April 18, 2014 the Company granted 990,000 Options to the Directors to satisfy the Fees owing for fiscal 2013 and fiscal 2014.

## 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, 2014, 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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
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
	135,206	\$0.40	November 29, 2015	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
	72,549	\$0.40	November 29, 2015	Nil	Nil	Nil

Notes:

- (1) The value of the unexercised options is based on the December 31, 2014 closing price on the TSX of \$0.25 for each of Posera-HDX'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	\$89,089	N/A	N/A
Paul Fornazzari	\$40,375	N/A	N/A
Michael Brown	\$31,810	N/A	N/A
David Del Chiaro	\$50,161	N/A	N/A
Gary Figueira	\$31,810	N/A	N/A

No options were exercised by the current Director’s during the financial year ended December 31, 2014.

### 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-HDX’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-HDX’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 12<sup>th</sup>, 2015. Posera-HDX does not intend to grant any further options under the 2002 Plan.

The 2011 Stock Option Incentive Plan (the “2011 Plan”) was approved by the shareholders of Posera-HDX in September 2011. The 2011 Plan provides for a rolling maximum number of Posera-HDX Shares that may be issued upon the exercise of stock options, being 10% of the issued and outstanding Posera-HDX Shares at the time of grant. Any increase in the total number of issued and outstanding Posera-HDX Shares will result in an increase in the available number of Posera-HDX Shares issuable under the Plan, and any exercises of options will make new grants available under the 2011 Plan. The 2011 Plan was re-approved by the Shareholders of the Company on June 18<sup>th</sup>, 2014. Finally, as of May 12<sup>th</sup>, 2015, Posera-HDX was authorized to issue 4,759,424 options under the 2011 Plan, of which 4,611,524 are outstanding and remain unexercised.

In addition to its stock option plans, in 2005 the shareholders of Posera-HDX approved the establishment of a share purchase plan to encourage ownership of Posera-HDX Shares by its employees, officers, directors and other eligible participants (the “**Share Purchase Plan**”). The number of Posera-HDX 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-HDX. During 2014, no Posera-HDX Common Shares were issued under the Share Purchase Plan.

The following table sets out information on these plans as at December 31, 2014.

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	4,759,424	\$0.32	1,392,746

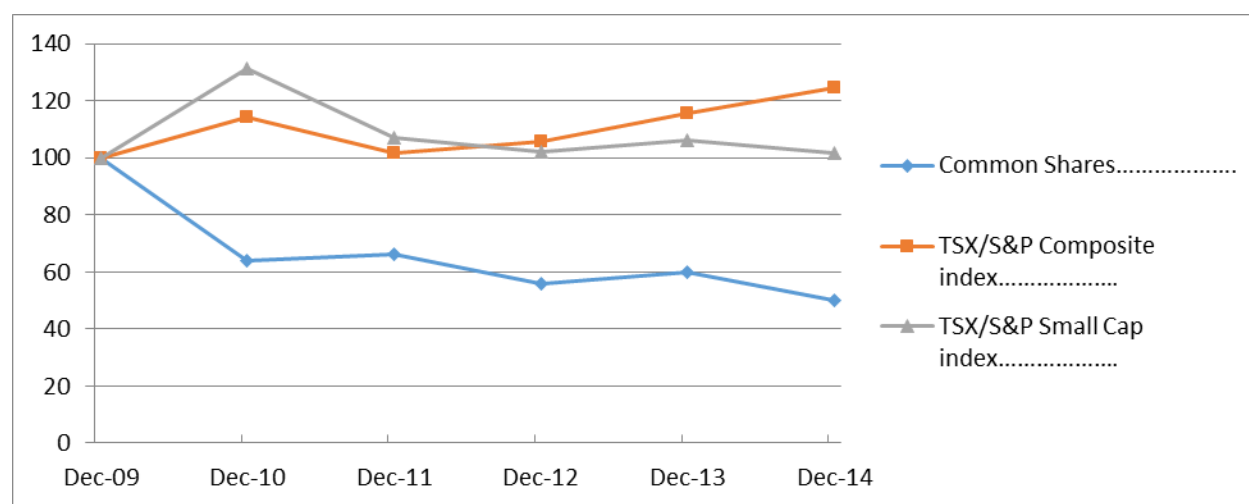
approved by securityholders			
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>4,759,424</b>	<b>\$0.32</b>	1,392,746

### Insurance Coverage and Indemnification

Posera-HDX'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. Under the policies, Posera-HDX has reimbursement coverage to the extent that it or a subsidiary has indemnified a director or officer in excess of a deductible of \$50,000 for each loss, or \$50,000 in the event of each securities claim. 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-HDX'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-HDX 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-HDX or any subsidiary of Posera-HDX, 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, 2010 to December 31, 2014, based on the price of the Common Shares, assuming a \$100 investment on January 1, 2010.



	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14
<b>Nominal Data:</b>						
Common Shares	\$ 100.00	\$ 64.00	\$ 66.00	\$ 56.00	\$ 60.00	\$ 50.00
TSX/S&P Composite index	\$ 100.00	\$ 114.45	\$ 101.78	\$ 105.85	\$ 115.80	\$ 124.57
TSX/S&P Small Cap index	\$ 100.00	\$ 131.32	\$ 107.17	\$ 101.94	\$ 106.37	\$ 101.50
<b>Actual Data:</b>						
Common Shares	\$ 0.50	\$ 0.32	\$ 0.33	\$ 0.28	\$ 0.30	\$ 0.25
TSX/S&P Composite index	\$ 11,746.11	\$ 13,443.22	\$ 11,955.09	\$ 12,433.50	\$ 13,601.60	\$ 14,632.40
TSX/S&P Small Cap index	\$ 574.12	\$ 753.93	\$ 615.29	\$ 585.23	\$ 610.71	\$ 582.73

## AGGREGATE INDEBTEDNESS

As of May 15, 2015, no person who is, or who was at any time during the fiscal year-ended December 31, 2014, 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, 2014, 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, 2014 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 and Allen Shulman, who were indebted to the Corporation in amounts of \$53,725 and \$27,615, respectively. This indebtedness has been agreed to be repaid in full throughout the next five years or waived in tranches if certain performance metrics are achieved by Mr. Cote and Mr. Shulman.

### 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, 2014 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, 2014, 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, 2014 (\$)	Amount outstanding May 15, 2015 (\$)	Financially assisted Securities purchases during fiscal year ended December 31, 2014 (\$)	Security for indebtedness	Amount forgiven during fiscal year ended December 31, 2014 (\$)
Securities Purchase Programs:						
N/A						
Other Programs:						
Michel Cote, President	The Corporation is the Lender	\$53,725	\$53,725	nil	nil	nil
Allen Shulman, SVP corporate business development	The Corporation is the Lender	\$27,615	\$27,615	nil	nil	nil

(1) These foregoing amounts were loaned on December 31<sup>st</sup>, 2014 in order for Michel Cote and Allen Shulman to satisfy a debt owned by Mr. Cote and Mr. Shulman pursuant to the terms of a settlement agreement relating to an indemnification claim under a share purchase agreement previously entered into between the Company, Mr. Cote, Mr. Shulman 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 each of Messrs. Cote and Shulman 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, 2014, 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. Howell, as he was the CEO of the Corporation and Mr. Fornazzari, as his law firm acts as the Company's counsel, at that time. None of the other four 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"), 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. Fornazzari holds a directorship in Latin American Minerals Inc. and Lithium Americas Corp., which are publicly traded on the TSX Venture Exchange.

## 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

The Corporation's Board Charter stipulates that the roles of the Chair of the Board and the CEO should be separate, further enabling the independence of the Board. Mr. Owen is 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.

## Attendance of Current Directors in 2014

Director	Board Meetings
Paul Howell <sup>(1)</sup>	4 of 4
Paul Fornazzari <sup>(3)</sup>	4 of 4
Loudon Owen <sup>(2)</sup>	4 of 4
Michael Brown <sup>(4)</sup>	3 of 4
David Del Chiaro <sup>(4)</sup>	4 of 4
Gary Figueira <sup>(4)</sup>	4 of 4

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

## 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 – HDX 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, 2014 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.hdxsolutions.com](http://www.hdxsolutions.com) or on SEDAR at [www.sedar.com](http://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) 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 24 to 28 in the Corporation's Annual Information Form filed on March 31<sup>st</sup>, 2015 with the regulatory authorities and is available on the SEDAR website at [www.sedar.com](http://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.

The Company recognized revenue from a company controlled by the CEO, who is also a director of the Company, during the year ended December 31, 2014, based on amounts agreed upon by the parties, in the amounts of \$41,346 (2013 - \$35,618). The Company recognized operating expenses related to shared office space and employees, and purchased products of \$291,253 during the year ended December 31, 2014 (2013 - \$367,862) from a Company controlled by the CEO at the exchange amount based on amounts agreed to by the parties. As at December 31, 2014, the Company has a receivable position of \$30,896 (2013 - \$38,015), and a payable of \$97,299 (2013 - \$106,764), which will be settled between the related parties in the normal course of business.

During the year ended December 31, 2014, the Company received legal fees and disbursement invoices totaling \$135,343 (2013 - \$235,743) from a law firm, a partner of which is a director of the Company. As at December 31, 2014, the Company has a payable position of \$112,075 (2013 - \$117,588) which will be settled between the related parties in the normal course of business.

Compensation of key management

Compensation awarded to key management includes the Company'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, 2014	Year ended December 31, 2013
Salaries and short-term employee benefits	\$ 1,051,807	\$ 969,114
Share-based payments	248,511	16,710
<b>Total</b>	<b>\$ 1,300,318</b>	<b>\$ 985,824</b>

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 Statement of Operations and Comprehensive Loss. The Company granted 990,000 options during the year-ended December 31, 2014 (2013 – nil) to directors in place of cash compensation for directors fees earned for fiscal 2014 and 2013.

The Committee is satisfied that it appropriately fulfilled its mandate during the year ending December 31, 2014.

This report is submitted by the Audit Committee.

## **ADDITIONAL INFORMATION**

Additional information about Posera-HDX Limited, including financial information, is contained in the Corporation's 2014 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](http://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-HDX Limited, 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.

*“Paul Howell”*

Paul Howell  
Director, Chief Executive Officer and President

*“Loudon Owen”*

Loudon Owen  
Chairman of the Board

**DATED** this 12<sup>th</sup> day of May, 2015

**SCHEDULE "A"**  
**THE MANDATE OF THE BOARD OF DIRECTORS OF**  
**POSERA-HDX LIMITED**

**A. General**

The Board of Directors (the "Board") of Posera-HDX Limited (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.



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Printed in Canada