



**NanoXplore Inc.
Notice of Annual Meeting of Shareholders And
Management Proxy Circular**

NanoXplore Inc. annual meeting of shareholders will be held on Wednesday, November 25, 2020 at 9:00 a.m., as a completely virtual online meeting.

Shareholders may exercise their rights by attending the meeting or by completing a Form of Proxy.

YOUR VOTE AS A SHAREHOLDER IS IMPORTANT



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the annual meeting of the shareholders of NanoXplore Inc. (the “**Corporation**” or “**NanoXplore**”) will be held on Wednesday, November 25, 2020 at 9:00 a.m. (Eastern Standard Time) (the “**Meeting**”), for the following purposes:

1. to receive the financial statements of the Corporation for the fiscal year ended June 30, 2020, together with the report of the auditors thereon (collectively, the “**Financial Statements**”);
2. to elect the Directors of the Corporation for the ensuing year;
3. to appoint the auditors of the Corporation for the ensuing year and to authorize the Directors to fix their remuneration;
4. to pass a resolution ratifying the adoption of By-Law 2, amending By-Law 1, relating to (i) advance notice provisions for the election of directors, and (ii) authorizing shareholder meetings to be held by electronic or other communication facility; and
5. to transact such further and other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

In light of the unprecedented impact of the coronavirus outbreak (COVID-19) and in consideration of the health and safety of the Corporation’s shareholders, colleagues and the broader community, the Corporation is holding the Meeting as a completely virtual online meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with Directors of the Corporation and management as well as other shareholders. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to attend, participate, submit questions and vote at the Meeting online at <https://web.lumiagm.com/265505262>. Non-registered shareholders (being shareholders who hold their shares through a bank, trust corporation, securities broker, trustee or other) who have not duly appointed themselves as proxyholder may also virtually attend as guests. Guests will be able to virtually attend and listen to the Meeting but will not be able to vote or ask questions at the Meeting.

The management proxy circular and a proxy form for the Meeting are enclosed herewith. Additional information relating to the matters to be put before the Meeting is set forth in the management proxy circular which accompanies this notice.

DATED at Montréal, Québec, this 20th day of October 2020.

BY ORDER OF THE BOARD OF DIRECTORS

(s) Soroush Nazarpour
Soroush Nazarpour
President and Chief Executive Officer

IMPORTANT

Holders of shares may exercise their rights by attending the Meeting or by completing a Proxy Form.

Those who are unable to attend the Meeting are urged to complete and sign the enclosed Proxy Form and return it to TSX Trust Company by mail at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, or by fax to 1-416-595-9593 before 9:00 a.m. on Monday, November 23, 2020 or two (2) business days before the commencement of any adjournment of the Meeting. A person appointed as proxy need not be a shareholder of the Corporation.

The Corporation urges shareholders to review the meeting materials before voting.



Management Proxy Circular Annual Meeting of Shareholders

REGISTERED SHAREHOLDERS

You will have received a form of proxy ("**Proxy Form**") from NanoXplore Inc.'s (the "**Corporation**") transfer agent, TSX Trust Company ("**TSX Trust**"). Complete, sign and mail your Proxy Form in the postage prepaid envelope provided or fax it to the number indicated on the form.

NON-REGISTERED SHAREHOLDERS

Your shares are held in the name of an intermediary (a bank, trust corporation, securities broker, trustee or other). You will have received a request for voting instructions from such intermediary. Follow the instructions on your voting instruction form to vote by telephone or fax, or complete, sign and mail the voting instruction form in the postage prepaid envelope provided. **To vote online at the meeting, see the box on page 4 of this management proxy circular (the "Management Proxy Circular").**

PROXY VOTING

Who is soliciting my proxy?

The enclosed Proxy Form is being solicited by the management of the Corporation in connection with the annual meeting of shareholders (the "**Meeting**") to be held on November 25, 2020 and at every adjournment thereof, and the associated costs will be borne by the Corporation. The solicitation of proxies will be primarily by mail, but may be by telephone or other personal contact by directors of the Corporation (the "**Directors**"), such Directors receiving no compensation for the solicitation of proxies. The Corporation shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of shares of the Corporation.

How do I vote?

If you are a registered shareholder, you may vote online at the Meeting or you may sign the enclosed Proxy Form appointing the named persons or some other person you choose, who need not be a shareholder, to represent you as proxyholder and vote your common shares in the capital of the Corporation ("**Common Shares**") at the Meeting. If your Common Shares are held in the name of an intermediary, please see the box on page 4 hereof for voting instructions.

What if I plan to virtually attend the Meeting and vote online?

If you are a registered shareholder and plan to attend the Meeting on November 25, 2020 and wish to vote your Common Shares online at the Meeting, do not complete or return the Proxy Form. Your vote will be taken and counted at the Meeting, in the following manner:

1. Log in at <https://web.lumiagm.com/265505262> at least 15 minutes before the meeting starts;
2. Click on "I have a control number";
3. Enter your 12-digit control number (on your proxy form);
4. Enter the password: gra2020;
5. Vote!

If your Common Shares are held in the name of an intermediary, please see the box on page 4 hereof for voting instructions.

What am I voting on?

Shareholders will be asked to vote on the following matters:

1. **the election of Directors to the Board of Directors of the Corporation for the ensuing year;**
2. **the appointment of the auditors of the Corporation for the ensuing year and on the authorization for the Directors to fix their remuneration;**
3. **a resolution ratifying the adoption of By-Law 2, amending By-Law 1, relating to (i) advance notice provisions for the election of directors, and (ii) authorizing shareholder meetings to be held by electronic or other communication facility; and**
4. **any such other business as may properly be brought before the Meeting or at any adjournment thereof.**

For further information, please refer to the heading "Agenda for Shareholders' Meeting".

Other than as specifically discussed under the heading "Agenda for Shareholders' Meeting", no Director or executive officer, past, present or nominated hereunder, or any associate or affiliate of such persons, or any person on behalf of whom this solicitation is made, has any interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Corporation.

What if I sign the Proxy Form enclosed with this Management Proxy Circular?

Signing the enclosed Proxy Form gives authority to Soroush Nazarpour, who is the President and Chief Executive Officer of the Corporation, whom failing Luc Veilleux, who is the Chief Financial Officer of the Corporation, or to another person you have appointed, to vote your Common Shares at the Meeting.

Can I appoint someone other than these officers to vote my Common Shares?

Yes. Write the name of this person, who need not be a shareholder, in the blank space provided in the Proxy Form. It is important to ensure that any other person you appoint is virtually attending the Meeting and is aware that he or she has been appointed to vote your Common Shares.

The person you appoint will need to contact TSX Trust Company at TMXEInvestorServices@tmx.com to request a control number to be represented or voted at the meeting. It is the responsibility of the NanoXplore shareholder to advise their proxy (the person they appoint) to contact TSX Trust to request a control number. Without the control number, proxyholders will not be able to participate at the meeting.

What do I do with my completed Proxy Form?

Return it to the Corporation's transfer agent, TSX Trust, by mail at 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, by fax to 1-416-595-9593 or by email at: TMXEInvestorServices@tmx.com, **no later than 9:00 a.m. (Eastern Standard Time) on November 23, 2020.** This will ensure that your vote is recorded.

If I change my mind, can I take back my proxy once I have given it?

Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered at the above-mentioned registered office of TSX Trust, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the

proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked.

How will my Common Shares be voted if I give my proxy?

The Common Shares represented by your Proxy Form will be voted or withheld from voting in accordance with your instruction on the Proxy Form on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. If you have not specified how to vote on a particular matter, or if any amendments are proposed to any matter, or if other matters are properly brought before the Meeting, then, in each case, your proxyholder can vote your Common Shares as your proxyholder sees fit. Management knows of no such amendments or other matters to come before the Meeting other than the matters referred to in the notice of annual meeting (“**Notice**”).

If you properly complete and return your Proxy Form appointing representatives of management of the Corporation as your proxy but do not specify how you wish the votes to be cast, your Common Shares will be voted:

- (a) **FOR the election of Directors nominated by management and the Board;**
- (b) **FOR the appointment of PricewaterhouseCoopers LLP as auditors for the ensuing year and the authorization of the Directors to fix their remuneration;**
- (c) **FOR the passing of a resolution ratifying the adoption of By-Law 2, amending By-Law 1, relating to (i) advance notice provisions for the election of directors, and (ii) authorizing shareholder meetings to be held by electronic or other communication facility; and**
- (d) **on any other matter which may properly come before the Meeting.**

How many Common Shares are entitled to vote?

As of October 16, 2020 (the “**Record Date**”), there are 140,588,610 Common Shares issued and outstanding, each of which is entitled to one vote at the Meeting. Only shareholders registered at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting.

Who counts the votes?

The Corporation’s transfer agent, TSX Trust, counts and tabulates the proxies. This is done independently of the Corporation. Proxies are referred to the Corporation only in cases where a shareholder clearly intends to communicate with management or when it is necessary to do so to meet the requirements of applicable law.

If I need to contact the transfer agent, how do I reach them?

For general shareholder enquiries, you can contact the transfer agent:

by mail: TSX Trust Company
100 Adelaide Street West, Suite 301
Toronto, Ontario, M5H 4H1

or by telephone: 1-866-600-5869 (within North America) or 1-416-342-1091 (outside North America)

or by email: tmxeinvestorservices@tmx.com

or by fax: 1-416-361-0470

If my Common Shares are not registered in my name but are held in the name of an intermediary (a bank, trust corporation, securities broker, trustee or other), how do I vote my Common Shares?

These beneficial owners of Common Shares (the “**Beneficial Owners**”) must be aware of the fact that only proxies filed by shareholders whose names appear in the Corporation’s book as registered holders of Common Shares may be recognized and may benefit from the right to vote at the Meeting. The voting rights attached to the Common Shares held by an intermediary may be exercised by the intermediary, on behalf of the Beneficial Owner, only according to the Beneficial Owner’s specific instructions, which must be obtained before the Meeting. Each Intermediary has its own rules concerning the mailing and forwarding of voting instruction forms, notices of meeting, proxy circulars as well as all other documents sent to shareholders for a meeting. The intermediary is prohibited from exercising the voting rights attached to the Common Shares of its clients without specific voting instructions.

In accordance with the requirements of *Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has elected to send the notice of Meeting, this Management Proxy Circular and the Proxy Form directly to the non-objecting Beneficial Owners (the “**NOBOs**”). The intermediaries are responsible for forwarding these documents to each NOBO who has objected to his intermediary disclosing ownership information about himself (the “**OBO**”), unless that OBO has waived the right to receive them.

There are two ways you can vote your Common Shares held by your intermediary. As required by Canadian securities legislation, you will have received from your intermediary either a request for voting instructions or a form of proxy for the number of Common Shares you hold. For your Common Shares to be voted for you, please follow the voting instructions provided by your intermediary. Since the Corporation has limited access to the names of its Beneficial Owners, if you attend the Meeting, the Corporation may have no record of your shareholdings or your entitlement to vote unless your intermediary has appointed you as proxyholder. Therefore, if you wish to vote at the virtual Meeting:

1. Insert your own name in the space provided on the request for voting instructions or form of proxy and return same by following the instructions provided. You can also write the name in the space provided thereof of someone else whom you wish to attend the Meeting and vote on your behalf. Do not otherwise complete the form as your vote will be taken at the Meeting.
2. Get a control number by contacting TSX Trust Company at TMXEInvestorServices@tmx.com by 9:00 a.m. (Eastern Standard Time) on November 23, 2020;
3. Log in at <https://web.lumiagm.com/265505262> at least 15 minutes before the meeting starts;
4. Click on “I have a control number”;
5. Enter your 12-digit control number;
6. Enter the password: gra2020;
7. Vote!

PRINCIPAL HOLDERS OF VOTING SECURITIES

To the knowledge of the Directors and officers of the Corporation, as at the Record Date, the only persons, firms or corporations who beneficially own, or control or direct, directly or indirectly, over voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, are as follows:

Shareholder Name	Number of Common Shares	Percentage of Issued Common Shares
Martinrea International Inc.	34,045,954	24.22%

AGENDA FOR SHAREHOLDERS' MEETING

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the financial year ended June 30, 2020 and the report of the auditors of the Corporation thereon (the “**Financial Statements**”) will be placed before the Meeting. Receipt at the Meeting of the Financials Statements will not constitute approval or disapproval of any matters referred to therein.

The Financial Statements and the management’s discussion and analysis of the Corporation for the year ended June 30, 2020 are available under the Corporation’s profile at www.sedar.com.

ELECTION OF DIRECTORS

The board of Directors of the Corporation (the “**Board of Directors**” or the “**Board**”) currently consists of six members. The articles of the Corporation currently provide for a minimum of three and a maximum of twelve Directors. It is contemplated that six Directors will be elected at the Meeting.

The six nominees named hereunder will be proposed for election as Directors of the Corporation. All proposed nominees have served continuously as Directors of the Corporation since their appointment or first election in such capacity. Management does not contemplate that any nominee will be unable or unwilling to serve as a Director. Each Director elected will hold office until the next annual meeting of shareholders or until a successor is duly elected or appointed, unless he ceases to hold office pursuant to the *Canada Business Corporations Act*, or his office is vacated earlier pursuant to the By-laws of the Corporation.

The following table sets forth certain information concerning the Directors of the Corporation seeking election, including their beneficial ownership of Common Shares of the Corporation as at the Record Date. Unless otherwise indicated, each nominee holds sole voting and investment power over his Common Shares.

Name and Municipality of Residence	Positions and Offices held within the Corporation	Director Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Rob Wildeboer ⁽⁴⁾ Burlington, Ontario, Canada	Chairman of the Board	January 2019	Chairman of the Board of the Corporation; Executive Chairman of Martinrea International Inc.	40,000 0.03%
Benoît Gascon ⁽¹⁾⁽³⁾ Montréal, Québec, Canada	Vice Chairman of the Board	August 2017	Vice Chairman of the Board of the Corporation. President and CEO of Mason Graphite Inc. from 2012 to 2020.	18,289 0.01%
Soroush Nazarpour Montréal, Québec, Canada	Director, President and Chief Executive Officer	August 2017	President and Chief Executive Officer of the Corporation.	12,880,285 9.16%
Cameron Harris ⁽¹⁾⁽³⁾ Etobicoke, Ontario, Canada	Director	August 2017	Director of the Corporation; President of Canadian Engineering Associates.	540,390 0.38%
Denis Labrecque ⁽²⁾ Trois-Rivières, Québec, Canada	Director	August 2017	Director of the Corporation.	18,289 0.01%
Arinder S. Mahal ⁽¹⁾⁽²⁾ Toronto, Ontario, Canada	Director	November 2018	Founder and CEO of Antera Inc., a technology focused merchant bank and advisory firm.	--

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance and Nominating Committee.
- (3) Member of the Human Resources and Compensation Committee.
- (4) Mr. Wildeboer is the Executive Chairman of Martinrea International Inc., which holds 34,045,954 Common Shares of the Corporation.

The total number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by Directors of the Corporation as a group, to our knowledge, is 13,497,253 Common Shares or approximately 9.60% of the Common Shares issued and outstanding as at the Record Date.

All of the proposed nominees were elected to their present term of office by the shareholders of the Corporation at a meeting in respect of which the Corporation circulated to shareholders a management proxy circular.

Mr. Rob Wildeboer is a co-founder and the Executive Chairman of Martinrea International Inc. (TSX: MRE), a leader in the development and production of quality metal parts, assemblies and modules, fluid management systems, and complex aluminum products focused primarily on the automotive sector. He is also Co-Chair of the Canadian Automotive Partnership Counsel (CAPC) and a present and past advisor to the Governments of Canada and Ontario on a variety of economic, trade, innovation, manufacturing and automotive mandates. Mr. Wildeboer holds an undergraduate degree from the University of Guelph, a law degree from Osgoode Hall Law School, an MBA from York University and an LLM from Harvard University.

Mr. Benoît Gascon is the former President and Chief Executive Officer of Mason Graphite Inc, a Canadian graphite mining and processing company. He brings approximately 30 years of experience in the graphite and carbon industries. Mr. Gascon is a CPA, CA and holds a Bachelor in Business Administration from École des Hautes Études Commerciales (HEC).

Dr. Cameron Harris is the President of Canadian Engineering Associates, an engineering consulting firm that provides services to the global mining industry. He is a former Senior Vice-President and General Manager at SNC-Lavalin, and former head of the Mining Industry Practice for North America at Accenture. He has held a wide range of operational, technical and executive positions at world leading companies such as Noranda, Kvaerner, and Worley Parsons. Dr. Harris has been a director for Cansolv Technology Inc. and has been previously involved in nano-materials production. Dr. Harris holds a PhD in Metallurgy from Imperial College (United Kingdom).

Mr. Denis Labrecque is the founder and former President of NorCap Partners Inc., a privately held Canadian investment banking boutique specializing in cross border mergers and acquisitions, where he remains involved as an advisor. He was a special advisor to the President at Aliston Capital and an advisor to Keira Capital Partners Inc. In addition, Mr. Labrecque acts as director for various privately held companies in Canada. Mr. Labrecque owned and successfully operated a diversified group of manufacturing companies in Canada and in the United States for nearly 20 years. Mr. Labrecque holds a Bachelor in Business Administration, Major in Finance from Université du Québec à Trois-Rivières and an Electromechanical Engineering (Instrumentation) from the Devry Institute of Toronto.

Mr. Arinder S. Mahal is the founder and CEO of Antera Inc., a technology focused merchant bank based in Toronto. He is also the founder and CEO of Synoptim Advisory Corp., a corporate and business advisory firm. Mr. Mahal is a former managing director and head of technology investment banking of Echelon Wealth Partners Inc. and Dundee Capital Markets (now Eight Capital). He has also held senior executive and board advisor positions at a number of technology companies in Canada and in the United States. Prior to that, he was a senior manager with Deloitte Consulting providing management consulting services in the areas of corporate strategy, mergers and acquisitions, and finance to Canadian and Global telecom and technology companies. Mr. Mahal holds a Bachelor of Engineering degree from the University of Victoria and an MBA from Schulich School of Business, York University. He is also a Chartered Financial Analyst (CFA).

Mr. Soroush Nazarpour is the founder, President and CEO of the Corporation. He is an acknowledged expert in the field of graphene, and the co-author of "Graphene Technology from Laboratory to Fabrication" published by Wiley & Co. in 2016. Mr. Nazarpour holds a PhD in Nanotechnology from the University of Barcelona, Spain.

Unless such authority is withheld, the persons named in the enclosed proxy form intend to vote at the Meeting FOR the election of these nominees. The proposal requires the approval of a majority of the votes cast by the holders of Common Shares present in person or represented by proxy at the Meeting.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the best of the Corporation's knowledge, after having made due inquiry, the Corporation confirms that no proposed Director of the Corporation:

- (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while that person was acting in that capacity:
 - (i) was subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed Director; and
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, nor has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed Director.

REAPPOINTMENT OF AUDITORS

Management proposes PricewaterhouseCoopers LLP as auditors of the Corporation for the current financial year to hold office until the next annual meeting of shareholders of the Corporation and to authorize the Directors to fix their remuneration. PricewaterhouseCoopers LLP have been auditors of the Corporation since September 4, 2014.

Unless instructions are given to abstain from voting with regard to the appointment of the auditors, the persons named in the enclosed proxy form intend to vote at the Meeting FOR the appointment of PricewaterhouseCoopers LLP, as auditors of the Corporation for the current financial year and authorize the Directors to fix their remuneration. The proposal requires the approval of a majority of the votes cast by the holders of Common Shares present in person or represented by proxy at the Meeting.

AMENDMENT TO BY-LAWS

On October 15, 2020, the Board adopted By-Law 2 (the "**Amendment By-Law**"), amending the Corporation's By-Law 1 to:

- (i) require advance notice to the Corporation in circumstances where nominations of persons for election to the Board are made by shareholders other than pursuant to: (a) a requisition of a meeting made pursuant to the provisions of the *Canada Business Corporation Act* ("**CBCA**"); or (b) a shareholder proposal made pursuant to the provisions of the CBCA. Among other things, the By-Law Amendment fixes a deadline by which shareholders of

record must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Corporation. In the case of an annual meeting of shareholders, notice to the Corporation must be provided not less than 30 days prior to the date of the annual meeting. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Corporation must be provided no later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

- (ii) add provisions allowing shareholder meetings to be held by telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

A copy of the Amendment By-Law is attached as Schedule "A" to this Management Proxy Circular and is also available on SEDAR at www.sedar.com.

The Board believes that the Amendment By-Law sets out a clear and transparent process for all shareholders who want to nominate directors at a shareholders' meeting, increases transparency and promotes informed decision-making by providing all shareholders with reasonable notice of director nominations and sufficient information to vote on all the director nominees. The Amendment By-Law also allows the board to evaluate each proposed nominee's qualifications and suitability as a director of the corporation. The Amendment By-Law also permits the holding of shareholder meetings by telephonic, electronic or other communication facility, which is critical during this COVID-19 outbreak.

Pursuant to the provisions of the CBCA, the Amendment By-Law will cease to be effective unless ratified and confirmed by a resolution passed by a simple majority of the votes cast by shareholders at this Meeting. At this Meeting, shareholders will be asked to consider, and if deemed advisable, to approve the following ordinary resolution:

"BE IT RESOLVED THAT:

- (a) By-Law 2 of NanoXplore Inc. (the "**Corporation**"), amending By-Law 1 of the Corporation, as adopted by the Board on October 15, 2020 in the form attached as Schedule "A" to the Management Proxy Circular is hereby ratified and confirmed; and
- (b) Any director or officer of the Corporation is hereby authorized and directed, acting for, in the name and on behalf of the Corporation, to execute or cause to be executed, and to deliver or cause to be delivered, all such other deeds, documents, instrument and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Corporation may be necessary or desirable to carry out the terms of the foregoing resolutions."

Unless instructions are given to vote against the ratification of By-Law 2, the persons named in the enclosed proxy form intend to vote at the Meeting FOR the resolution ratifying the adoption of By-Law 2. The proposal requires the approval of a majority of the votes cast by the holders of Common Shares present in person or represented by proxy at the Meeting.

OTHER MATTERS

Management of the Corporation knows of no other matters to come before the Meeting other than those referred to in the Notice. Should any other matters properly come before the Meeting, the Common Shares represented by the Proxy Form solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Named Executive Officer and Director Compensation, excluding Compensation Securities

As of the end of its most recently completed financial year, the Corporation was a “venture issuer”, as defined under Regulation 51-102 *respecting Continuous Disclosure Obligations* (“**Regulation 51-102**”).

Accordingly, the following table sets forth information required under Form 51-102F6V – Statement of Executive Compensation – Venture Issuers (the “**Form 51-102F6V**”) of Regulation 51-102 concerning all compensation paid, made payable, awarded, granted, gave or otherwise provided for the two most recently completed financial years to all persons acting as Named Executive Officers (as defined herein) and Directors for services provided to the Corporation and its subsidiaries during the financial year ended June 30, 2020. These amounts include the annual base salary and certain other forms of remuneration, the payment having been made or postponed. “Named Executive Officers” means the following persons:

- (a) the Chief Executive Officer;
- (b) the Chief Financial Officer;
- (c) the most highly compensated executive officer, other than the Chief Executive Officer and Chief Financial Officer, who was serving as executive officer at the end of the most recently completed financial year and whose total compensation exceeded \$150,000; and
- (d) each individual for whom disclosure would have been provided under (c), except that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year.

Table of Compensation excluding Compensation Securities							
Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (7) (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (1) (\$)	Value of all Other Compensation (2) (\$)	Total Compensation (\$)
Rob Wildeboer Chairman of the Board (3)	2020	-	-	49,000	-	-	49,000
	2019	-	-	21,083	-	-	21,083
Benoît Gascon Vice Chairman of the Board (4)	2020	-	-	53,500	-	-	53,500
	2019	-	-	52,040	-	-	52,040
Sorosh Nazarpour Chief Executive Officer, President and Director (5) (7)	2020	385,000	134,750	-	-	-	519,750
	2019	350,000	350,000	-	-	-	700,000
Cameron Harris Director	2020	-	-	30,000	-	-	30,000
	2019	-	-	28,802	-	-	28,802
Denis Labrecque Director	2020	-	-	25,500	-	-	25,500
	2019	-	-	22,802	-	-	22,802
Arinder S. Mahal Director	2020	-	-	30,000	-	-	30,000
	2019	-	-	21,253	-	-	21,253
Luc Veilleux Chief Financial Officer (7)	2020	300,000	105,000	-	-	-	405,000
	2019	270,000	270,000	-	-	-	540,000
Rocco Marinaccio Chief Operating Officer (6) (7)	2020	350,000	122,500	-	-	-	472,500
	2019	145,000	145,000	-	-	--	290,000

Notes:

- (1) Value of perquisites is indicated only if such perquisites are not generally available to all employees of the Corporation, are not integrally and directly related to the performance of the Director or Named Executive Officer's duties and that, in aggregate, are greater than: a) \$15,000, if the Named Executive Officer or Director's total salary for the financial year is \$150,000 or less, b) 10% of the Named Executive Officer or Director's salary for the financial year, if the Named Executive Officer or Director's total salary for the financial year is greater than \$150,000 but less than \$500,000, or c) \$50,000, if the Named Executive Officer or Director's total salary for the financial year is \$500,000 or greater.
- (2) The Corporation does not offer any pension plan or defined benefit or contribution plans in favour of its Named Executive Officers and Directors.
- (3) Mr. Wildeboer became Chairman of the Board of the Corporation on January 30, 2019.
- (4) Mr. Gascon became Director of the Corporation on August 29, 2017 and is Vice Chairman of the Board of the Corporation since January 30, 2019.
- (5) Executive Officers who also act as Directors do not receive any additional compensation for services rendered in their capacity as Director.
- (6) Mr. Rocco Marinaccio became Chief Operating Officer of the Corporation on January 30, 2019.
- (7) Given the COVID-19 crisis and its negative impact on the Corporation, the Corporation's Named Executive Officers have had their compensation adjusted. Notwithstanding their employment contracts, each of Messrs. Nazarpour, Veilleux and Marinaccio have taken a temporary wage reduction during the financial year ended June 30, 2020, as a result of COVID-19, in the amounts of \$12,960, \$11,780 and \$10,100 respectively.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each Named Executive Officer and Director by the Corporation or its subsidiaries in the most recently completed financial year ended June 30, 2020 for services provided or to be provided, directly or indirectly, to the Corporation or its subsidiaries.

Compensation Securities							
Name and Position	Type of Compensation Security (1) (2) (3) (4)	Number of Compensation Security, number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Rob Wildeboer Chairman of the Board	Stock Options	-	-	-	-	-	-
Benoît Gascon Vice Chairman of the Board	Stock Options	-	-	-	-	-	-
Soroush Nazarpour Chief Executive Officer, President and Director	Stock Options	-	-	-	-	-	-
Cameron Harris Director	Stock Options	-	-	-	-	-	-
Denis Labrecque Director	Stock Options	-	-	-	-	-	-
Arinder S. Mahal Director	Stock Options	-	-	-	-	-	-
Luc Veilleux Chief Financial Officer	Stock Options	-	-	-	-	-	-
Rocco Marinaccio Chief Operating Officer	Stock Options	-	-	-	-	-	-

Notes:

- (1) As of June 30, 2020, the following persons held the following number of Options (as defined herein) to acquire as many Common Shares: Rob Wildeboer: 100,000 Options, Benoît Gascon: 180,133 Options, Cameron Harris: 180,133 Options, Denis Labrecque: 180,133 Options, Arinder S. Mahal: 100,000 Options, Luc Veilleux: 700,000 Options and Rocco Marinaccio: 1,000,000 Options.
- (2) The Options have been granted pursuant to the Stock Option Plan (as defined herein) of the Corporation. Please refer to the heading "Stock Option Plan" below. In the most recently completed financial year, no Options have been re-priced, cancelled, replaced or modified.
- (3) The Board of Directors may, at its sole discretion, determine whether the Stock Option shall vest immediately or be subject to such vesting schedule as the Board of Directors may deem appropriate in the circumstances.
- (4) As at June 30, 2020, 2,904,635 outstanding Stock Options were exercisable without restrictions or conditions.

The following table sets forth each exercise of compensation securities by a Named Executive Officer or Director during the most recently completed financial year ended June 30, 2020.

Exercise of Compensation Securities by Directors and Named Executive Officers							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price per Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date ⁽¹⁾ (\$)
Rob Wildeboer Chairman of the Board	Stock Options	-	-	-	-	-	-
Benoît Gascon Vice Chairman of the Board	Stock Options	-	-	-	-	-	-
Soroush Nazarpour Chief Executive Officer, President and Director	Stock Options	-	-	-	-	-	-
Cameron Harris Director	Stock Options	-	-	-	-	-	-
Denis Labrecque Director	Stock Options	-	-	-	-	-	-
Arinder S. Mahal Director	Stock Options	-	-	-	-	-	-
Luc Veilleux Chief Financial Officer	Stock Options	-	-	-	-	-	-
Rocco Marinaccio Chief Operating Officer	Stock Options	-	-	-	-	-	-

Notes:

- (1) Calculated by multiplying the number in the column entitled "Number of Underlying Securities Exercised" by the number in the column entitled "Difference between Exercise Price and Closing Price on Date of Exercise".

Stock Option Plan and Other Incentive Plans

Stock Option Plan

On October 12, 2018, the Board of Directors established the Stock Option Plan pursuant to which Options

may be granted in favour of Directors, officers, employees and consultants providing ongoing services to the Corporation, up to a maximum of 8,000,000 Common Shares. The exercise price, terms and conditions of the Options are established by the Board of Directors, subject to the rules of the regulatory authorities having jurisdiction over the securities of the Corporation. The exercise price at the time of the grant of the Options shall not be less than the closing market price of the Common Shares on the day prior to their grant. The Options granted may be exercised during a period not exceeding ten years. The Options are non-transferable. For any Option granted under the Stock Option Plan, the Board of Directors may, at its sole discretion, determine whether such Option shall vest immediately or be subject to such vesting schedule as the Board of Directors may deem appropriate in the circumstances.

The number of Common Shares reserved for issuance to any individual Director or officer will not exceed 5% of the issued and outstanding Common Shares, and the number of Common Shares reserved for issuance to all consultants and persons employed in investor relations activities on behalf of the Corporation will not exceed 2% of the issued and outstanding Common Shares.

Employment, Consulting and Management Agreements with the Named Executive Officers

Summary of Material Terms

The following describes the respective consulting and employment agreements entered into by the Corporation and its Named Executive Officers as of the date hereof.

Name and Position	Yearly salary	Severance on Termination	Change of Control Bonus	Severance on Change of Control
Soroush Nazarpour President & CEO	\$396,550	12 months' salary	-	24 months base salary plus aggregate cash bonuses paid in the 24 months prior to the Change in Control.
Luc Veilleux Chief Financial Officer	\$309,000	12 months' salary	-	24 months base salary plus aggregate cash bonuses paid in the 24 months prior to the Change in Control.
Rocco Marinaccio Chief Operating Officer	\$360,500	18 months' salary	-	24 months base salary plus aggregate cash bonuses paid in the 24 months prior to the Change in Control.

Estimated Incremental Payments as of June 30, 2020

Name	Termination without Cause Lump Sum	Change of Control Lump Sum
Soroush Nazarpour	\$396,550	\$1,277,850
Luc Veilleux	\$309,000	\$993,000
Rocco Marinaccio	\$540,750	\$988,500
Total	\$1,246,300	\$3,259,350

Oversight and Description of Director and Named Executive Officer Compensation

Determination of Compensation

The Board of Directors is responsible for approving compensation objectives and the specific compensation programs for policies and practices of NanoXplore. The Corporation has a Human Resources and Compensation Committee consisting of Benoit Gascon and Cameron Harris (the "HRCC"). The HRCC is responsible for monitoring and reviewing compensation programs for senior executives and making recommendations to the Board. Each of the members of the HRCC has experience on boards of other reporting issuers dealing with matters relating to executive compensation. Please see Schedule "B" hereto

for the Human Resources and Compensation Committee Charter.

On an annual basis, the HRCC evaluates the adequacy of compensation of the Directors and executive officers. After review and analysis, the HRCC recommends the compensation of the Directors and executive officers to the Board for approval.

The HRCC uses discretion and judgment when determining compensation levels as they apply to a specific executive officer. Individual compensation may be based on individual experience and performance or other criteria deemed important by the HRCC. In order to meet NanoXplore's objectives, the HRCC is guided by:

- providing executives with an equity-based incentive plan, namely a Stock Option Plan;
- aligning employee compensation with corporate objectives; and
- attracting and retaining highly qualified individuals in key positions.

General Principles of Executive Compensation

NanoXplore aims to develop compensation policies that will both align the interests of its personnel with those of shareholders and allow NanoXplore to attract and retain the best people in an increasingly competitive marketplace. To do so, NanoXplore recognizes that its compensation program must be flexible and able to adapt to as quickly as the sector in which NanoXplore evolves.

Components of the Corporation's Compensation Program

NanoXplore's compensation program consists of the following elements:

- (a) base salary and/or consulting fees;
- (b) short term incentive compensation comprised of objectives based and discretionary cash bonuses; and
- (c) long-term incentive compensation and Stock Options.

Base salary and consulting fees

The base salary and consulting fees component are intended to provide a fixed level of competitive pay that is established at the time when an officer, employee or consultant joins NanoXplore. NanoXplore's Board and/or HRCC periodically review compensation levels to determine if adjustments are necessary.

Short term incentive compensation comprised of objectives based and discretionary cash bonuses

Discretionary cash bonuses may form a part of the overall compensation program for certain employees and service providers. Eligibility and the award of cash bonuses will be dependent on the achievement of:

- (a) corporate performance thresholds; and
- (b) predetermined individual performance thresholds as well as the recommendation of the HRCC and the approval of the Board of Directors.

Stock Options

In addition to the granting of Stock Options to key employees and service providers, NanoXplore may also consider other long-term incentive programs to align interests and retain key personnel.

Pension Plan Benefits

The Corporation does not offer any pension plan benefits to any of its Directors or Named Executive Officers.

Equity Compensation Plan Information

The following table sets forth, as of June 30, 2020, the Stock Option Plan under which equity securities of the Corporation were authorized for issuance as well as outstanding Options:

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Common Shares Remaining Available for Future Issuance Under the Equity Compensation Plans
Equity Compensation Plans of the Corporation approved by the shareholders	3,917,133	\$1.17	4,082,867
Equity Compensation Plans of the Corporation not approved by the shareholders	-	-	-
Total:	3,917,133	\$1.17	4,082,867

Indebtedness to the Corporation of Directors and Executive Officers

As at October 16, 2020, there is no indebtedness outstanding with any Directors, executive officers, employees or former directors, executive officers or employees of the Corporation or its subsidiaries which is owing to the Corporation or a subsidiary of the Corporation, or to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries, in connection with a purchase of securities or for any other matter.

During the fiscal year ended June 30, 2020, none of the Directors or executive officers of the Corporation, proposed nominees for election as a Director, or any associate of the foregoing, was indebted to the Corporation or any subsidiary of the Corporation.

Certain Relationships and Related Transactions and Interest of Informed Persons in Material Transactions

To the knowledge of the Corporation, no informed person of the Corporation, proposed Directors of the Corporation, or any associate or affiliate of said officials has had any material interest, direct or indirect, in a transaction having been concluded since the beginning of the most recently completed fiscal year or in any proposed transaction which has or would affect in a material manner the Corporation or one of its subsidiaries.

Management Contracts

The management functions of the Corporation are not performed to any substantial degree by any person or company other than the Directors and executive officers of the Corporation.

AUDIT COMMITTEE INFORMATION

Charter of the Audit Committee

The Charter of the audit committee of NanoXplore (the “**Audit Committee**”) is annexed to this Management Proxy Circular as Schedule “C”.

Role and Composition of Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to the following: (i) in its oversight of NanoXplore's accounting and financial reporting principles and policies and internal audit controls and procedures; (ii) in its oversight of the integrity and transparency of NanoXplore's financial

statements and the independent audit thereof; (iii) in selecting, evaluating and, where deemed appropriate, replacing the external auditors; (iv) in evaluating the independence of the external auditors; (v) in its oversight of NanoXplore's risk identification, assessment and management program; and (vi) in NanoXplore's compliance with legal and regulatory requirements in respect of the above. The Audit Committee is also responsible for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, in accordance with the Corporation's Whistle Blowing Policy.

The Audit Committee is comprised of three members, all of which are independent Directors of NanoXplore and are financially literate, namely: Benoit Gascon, Cameron Harris and Arinder S. Mahal. Please refer to the section titled "Agenda for Shareholders' Meeting – Election of Directors" for the relevant education and experience of each of the members of the Audit Committee.

The Audit Committee meets generally on a quarterly basis. The Audit Committee held four meetings in the financial year ending June 30, 2020.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of Regulation 52-110 (*De Minimis Non-Audit Services*) or an exemption from Regulation 52-110, in whole or in part, granted under Parts 6 and 8 of Regulation 52-110, other than the exemption granted under Section 6.1 of Regulation 52-110, which exempts issuers whose shares are listed only on the TSXV from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

Pre-Approval Policies and Procedures

The Audit Committee approves the engagement terms for all audit and non-audit services to be provided by the Corporation's auditors before such services are provided to the Corporation or any of its subsidiaries.

External Auditor Service Fees

The fees charged to the Corporation by its external auditor in each of the last two financial years are as follows:

	2020	2019
Audit Fees ⁽¹⁾	\$225,235	\$255,135
Audit-Related Fees	\$18,565	\$6,607
Tax Fees ⁽²⁾	\$35,310	\$29,000
Other	\$17,411	\$13,300
Total	\$296,520	\$304,042

Notes:

- (1) Includes billing (or estimate) related to the work done on the audit for the fiscal year ending June 30, 2019 or June 30, 2020.
- (2) Such amounts relate to tax and accounting implications of specific transactions.

CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Corporation considers good corporate governance to be important to the effective operations of the Corporation and to ensure that the Corporation is managed to enhance shareholder value. The Board of Directors is responsible for ensuring that the Corporation addresses all relevant corporate governance issues in compliance with the corporate governance guidelines set forth in Policy Statement 58-201 - *Corporate Governance Guidelines* of the Canadian Securities Administrators.

Board of Directors

The Board is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. The Board's consideration and approval is also required for material contracts and business transactions, and all debt and equity financing transactions. The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on NanoXplore's business in the ordinary course, managing NanoXplore's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans. Please see Schedule "D" hereto for the Mandate of the Board of Directors.

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with NanoXplore. A material relationship is a relationship which could, in the view of the NanoXplore Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with NanoXplore. Applying the definition set out in NI 52-110, the following members of the NanoXplore Board are independent: Benoît Gascon, Cameron Harris, Denis Labrecque and Arinder S. Mahal.

The independent Directors do not hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance. However, where deemed necessary by the independent Directors, the independent Directors do hold in-camera sessions exclusive of non-independent Directors and members of management, which process will facilitate open and candid discussion amongst the independent Directors.

Directorships

The following Directors of the Corporation are also directors of other reporting issuers, as follows:

Director	Reporting Issuers
Rob Wildeboer	Martinrea International Inc. (TSX)
Arinder S. Mahal	Antera Ventures I Corp. (TSXV)

Orientation and Continuing Education

The Board of Directors of the Corporation and its Corporate Governance and Nominating Committee ("**CGNC**") takes the following steps to ensure that all new Directors receive orientation regarding the role of the Board, its committees and its Directors, and the nature and operation of the Corporation: Reports and other documentation relating to the Corporation's business and affairs are provided to new Directors. Please see Schedule "E" hereto for the Corporate Governance and Nominating Committee Charter.

Board meetings are generally held at the Corporation's main site to give the Directors additional insight into the Corporation's business and operations. In the past several months, because of COVID-19, Board meetings have been held by electronic means. In a month where there is no formal meeting, the Chairman generally holds an update meeting with the independent directors, where management is usually present.

Orientation and education of Directors is an ongoing matter. As such, ongoing informal discussions between management and members of the Board are encouraged and visits to the Corporation's operations are organized.

Ethical Business Conduct

The Corporation is committed to promote the highest standard of ethic and integrity in the pursuance of all of its activities. Furthermore, the Directors, officers and employees of the Corporation are expected to act and to hold their office within the best interests of the Corporation. The Corporation expects that all Directors shall act in compliance of all laws and regulations applicable to their office as Director of the Corporation.

Nomination of Directors

Any new appointee or nominee to the Board of Directors must have a favourable track record in general business management, special expertise in areas of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve as a Director.

Compensation

On an annual basis, the HRCC evaluates the adequacy of compensation of the Directors and executive officers. After review and analysis, the HRCC recommends the compensation of the Directors and executive officers to the Board for approval.

Assessments

The Board does not formally review the contributions of individual Directors; however, it believes that its current size facilitates informal discussion and evaluation of members' contributions within that framework.

Diversity Among the Board and Executives

NanoXplore believes that a Board and senior management team comprised of highly qualified individuals that reflect the diverse populations of the communities in which NanoXplore operates results in effective decision making and supports NanoXplore's commitment to strong corporate governance. The Board has adopted a written diversity policy (the "**Diversity Policy**") by which NanoXplore will promote diversity on the Board and senior management team. In support of the Diversity Policy, the CGNC, in recommending future nominees for election to the Board, in recruiting and hiring senior management, considers diversity criteria such as gender, race, religion, ethnicity, sexual orientation, physical ability, geographic representation, age and other characteristics of the communities in which NanoXplore operates.

Board Diversity

The Board strongly believes in the benefits of a diverse Board, which include accessing a broader pool of qualified candidates and different perspectives, experiences and ideas which enhance decision making and provide the opportunity for innovation. Accordingly, consideration of the number of women, Aboriginal peoples, persons with disabilities and members of visible minorities who are directors, along with consideration of other diversity criteria, are important components of the selection process for nominees. In support of the Diversity Policy, when recommending nominees to the Board, the CGNC develops and recommends strategies for identifying and attracting diverse candidates. The Board is committed to diversity; however, it has not established targets for diversity among directors as the Board believes that its criteria for recommending future nominees takes into account NanoXplore's overall objectives of increasing diversity while also ensuring that the Board possesses the necessary skills and experience to fulfill its responsibilities.

As of the date hereof, two of the Corporation's six Directors (33%) identify as visible minorities. They are both standing for re-election, representing approximately 33% of the nominees. None are women, and none self-identify as a person with disabilities or as an Aboriginal person. Adherence to the Diversity Policy will be assessed by the Board and the CGNC on an annual basis. As part of the CGNC's assessment, it will

consider the level of representation on the Board of the various diversity criteria outlined in the Diversity Policy, including the representation of women. The CGNC will review the Diversity Policy at least annually and may recommend changes in order to achieve the goals outlined in the Diversity Policy.

Executive Diversity

NanoXplore employs a mix of formal and informal policies and practices, including the Diversity Policy, aimed at promoting a diverse workforce. The Corporation also focuses on the development and advancement of women, along with consideration of other diverse individuals, as an integral part of the senior management team, which includes both executive officers and senior positions reporting directly to executive officers. NanoXplore considers many factors, including necessary skills and experience required when recruiting and hiring senior management. Diversity criteria, including level of representation of women in senior management, is also considered during recruitment and hiring. While there are currently no targets with respect to diversity in executive officer positions, NanoXplore recognizes that in order to achieve a representative balance in senior management it must develop strategies for identifying and attracting candidates with diversities for recruitment. Such strategies include engaging the services of external advisors where necessary to help identify future candidates who possess the necessary skills and experience as well as developing its internal talent to ensure that where possible, there will be highly qualified persons within NanoXplore available to fill vacancies. To that end, NanoXplore has made it an organizational goal to identify and address obstacles that may hinder the progression of individuals with diversities into senior management.

As of the date hereof, two out of the seven members of senior management (29%) identify as visible minorities. None are women, and none self-identify as a person with disabilities or as an Aboriginal person. As part of the CGNC's assessment of the Diversity Policy, it will consider the level of diversity, including gender diversity, visible minorities, persons with disabilities and Aboriginal persons, in the senior management team. The CGNC will also review the Diversity Policy at least annually and may recommend changes to achieve NanoXplore's diversity goals for senior management. The commitment to diversity, as well as its promotion, expressed in the Diversity Policy also applies to NanoXplore's recruitment, hiring and advancement practices in respect of all of its employees.

Board Renewal

The Board has not adopted director term limits or a mandatory retirement policy as it believes that its robust Board evaluation and peer review process described above is effective in achieving the appropriate level of renewal of the Board's membership. As part of that process, the Board, with the assistance of its CGNC, periodically reviews its composition to ensure that it continues to have the ideal mix of skills, perspectives, experience and expertise to effectively oversee management, and provide fresh ideas and viewpoints while not losing the insight and experience of longer serving directors and in particular their in-depth knowledge of the Corporation. The Corporation believes that it is important to achieve an appropriate balance of both to ensure the effectiveness of the Board. In addition, the Board assessment and peer review process encompasses an assessment of the independence of directors, including any impacts on a directors' independence as a result of his or her tenure on the board.

AVAILABILITY OF DOCUMENTS

Additional information relating to the Corporation is available on the web site of the System for Electronic Document Analysis and Retrieval (SEDAR), at the following address: www.sedar.com.

The financial information is provided in the Corporation's financial statements and the management's discussion and analysis for the year ended June 30, 2020.

APPROVAL OF CIRCULAR

The Board of Directors of the Corporation has approved the contents of the Management Proxy Circular and its sending to the shareholders.

DATED at Montréal, Québec, this 20th day of October, 2020.

NANOXPLORE INC.

Per: (s) Soroush Nazarpour
Soroush Nazarpour
President and Chief Executive Officer

SCHEDULE "A"

BY-LAW 2

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of NanoXplore Inc. (the "**Corporation**") as follows:

ADVANCE NOTICE OF NOMINATION OF DIRECTORS

- 1) By-Law 1 of the by-laws of the Corporation is hereby amended by adding the following after Section 3.18:

"3.19 Nomination of Directors:

Subject to the provisions of the Act and the articles, a nominee will not be eligible for election as director of the Corporation unless such nomination is made in accordance with the following procedures. Nominations of a person for election to the board of directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the board of directors or an authorized officer of the Corporation, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act or (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the giving of the notice provided for below in this section 3.19 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this section 3.19:

- (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the registered office of the Corporation in accordance with this section 3.19.
- (b) To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be made:
- (i) In the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the "**Notice Date**") on which the first Public Announcement (as defined below) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- (ii) In the case of a special meeting (other than an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
- (c) To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, both at present and within five years preceding the notice, (iii) the class or series and number of shares in the share capital of the Corporation which are controlled or which are owned beneficially or of

- record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (iv) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below). The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (d) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this section 3.19; provided, however, that nothing in this section 3.19 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (e) For purposes of this section 3.19, (i) "**Public Announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and (ii) "**Applicable Securities Laws**" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- (f) Notwithstanding any other provision of these by-laws, notice given to the Secretary of the Corporation pursuant to this section 3.19 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Montreal time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (g) The Board may, in its sole discretion, waive any requirement of Section 3.19 of the By-Law."

SHAREHOLDERS' MEETING HELD BY ELECTRONIC OR OTHER COMMUNICATION FACILITY

- 2) By-Law 1 of the by-laws of the Corporation is hereby amended by adding the following after Section 9.21 thereof:

"9.22 Meeting by Electronic or Other Communication Facility:

Any person entitled to attend a meeting of shareholders may participate in the meeting by means of telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility, and shall then be deemed to be present at the meeting.

The notice of meeting may determine that the meeting shall be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.”

- 3) By-law 1, as amended from time to time, of the by-laws of the Corporation and this By-Law 2 shall be read together and shall have effect, so far as practicable, as though all the provisions thereof were contained in one by-law of the Corporation. All terms contained in this by-law which are defined in By-law 1, as amended from time to time, of the by-laws of the Corporation shall, for all purposes hereof, have the meanings given to such terms in the said By-law, unless expressly stated otherwise or the context otherwise requires.

This By-Law 2 shall come into force upon being passed by the Board.

SCHEDULE "B"

HUMAN RESOURCES AND COMPENSATION COMMITTEE CHARTER

1. PURPOSE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE (the "Compensation Committee")

1.1 The Compensation Committee will assist the Board of Directors in fulfilling its responsibilities to the Corporation's shareholders, potential shareholders and the investment community in the areas of human resources and compensation. The Compensation Committee's primary responsibilities and duties are to assist the Board of Directors with its oversight responsibilities by reviewing and reporting on:

- (a) Compensation philosophy of the organization, including a compensation strategy and compensation policies for executives, the design and administration of short and long-term incentive plans, stock option or stock appreciation rights plans, and other benefits and perquisites as may be proposed by the Chief Executive Officer or developed independently;
- (b) Compensation for executive officers;
- (c) Employment and termination arrangements for senior executive officers;
- (d) Adoption of new or significant modifications to pay and benefit plans;
- (e) Significant changes to the Corporation's organizational structure relating to human resources functions;
- (f) The Committee's proposed executive compensation report to be contained in the Corporation's annual Management Proxy Circular;
- (g) Management development programs for the Corporation;
- (h) Any special employment contracts or arrangements with executive officers of the Corporation including any contracts relating to a change of control;
- (i) Compliance by the Corporation and its subsidiaries with all applicable employment and labour legislation; and
- (j) The performance of the Committee and the effectiveness of the Committee's members.

The Compensation Committee will also conduct such other duties as may be assigned by the Board. With respect to the exercise of its duties and responsibilities, the Compensation Committee should:

- (a) exercise the care, diligence and skill that a reasonably prudent person would exercise gathering and considering all material information;
- (b) remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions;
- (c) understand and weigh alternative courses of conduct that may be available;
- (d) focus on weighing the benefit versus harm to the Corporation and its shareholders when considering alternative recommendations or courses of action;
- (e) if the Compensation Committee deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining consultants or others to assist the Committee in fulfilling its duties and responsibilities; and
- (f) provide management with appropriate opportunities to meet privately with the Compensation Committee.

Nothing in this Charter is intended, or should be determined, to impose on any member of the Compensation Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject at law.

2. COMPOSITION AND MEETINGS

- 2.1 The Compensation Committee shall be comprised of at least two directors, each of whom shall be an independent director, who is unrelated and free of any relationship that in the opinion of the Board of Directors would interfere with his or her exercise of independent judgment as a committee member.
- 2.2 The Compensation Committee will have a Chairperson nominated or approved by the Board of Directors from time to time as the Board of Directors sees fit.
- 2.3 A quorum for any meeting of the Compensation Committee shall be a majority or all if only two of its members.
- 2.4 The Compensation Committee shall meet at least once annually and more frequently as circumstances may dictate. The Chairperson shall prepare and/or approve of an agenda in advance of each meeting. The Compensation Committee should meet privately in executive session at least annually with management.
- 2.5 The Compensation Committee shall be empowered to retain, at the expense of the Corporation, independent legal counsel, accountants or other consultants to assist it in the conduct of its Mandate.

SCHEDULE "C"**AUDIT COMMITTEE CHARTER****1. PURPOSE**

- 1.1** The primary functions of the Audit Committee of NanoXplore Inc. (the "Corporation") are to fulfill its responsibilities in relation to reviewing the integrity of the Corporation's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Corporation's compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; and reviewing the qualifications, independence and performance of the external auditors.

2. MEMBERSHIP AND ORGANIZATION

- 2.1** **Composition** - Subject to paragraph 2.6, the Audit Committee shall consist of not less than three independent members of the Board. At the invitation of the Audit Committee, members of the Corporation's management and others may attend Audit Committee meetings as the Audit Committee considers necessary or desirable.
- 2.2** **Appointment and Removal of Audit Committee Members** - Each member of the Audit Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of the Corporation at which the member's term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Audit Committee or from the Board. The Board may fill a vacancy in the membership of the Audit Committee.
- 2.3** **Chair** - At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.
- 2.4** **Independence** - Subject to paragraph 2.6, each member of the Audit Committee shall be "independent" (as such term is used in National Instrument 52-110 - Audit Committees ("NI 52-110")).
- 2.5** **Financial Literacy** - Subject to paragraph 2.6, members of the Audit Committee shall be financially literate or agree to become financially literate within a reasonable period of time following the member's appointment. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- 2.6** **Venture Issuer** - For so long as the Corporation is a "venture issuer" as defined in NI 52-110, it is not required to comply with the provisions of paragraph 2.1 "Composition", 2.4 "Independence" or 2.5 "Financial Literacy" above. In the event the Corporation cannot comply with all or a part of these provisions, then the Committee shall be comprised of not less than three members of the Board, a majority of whom are not officers or employees of the Corporation or a subsidiary of the Corporation.

3. MEETINGS

- 3.1 Meetings** - The members of the Audit Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually. The external auditors are entitled to attend and be heard at each Audit Committee meeting. The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board or the President and CEO may call a meeting of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a Chair from their number for a meeting.
- 3.2 Secretary and Minutes** - The Secretary, his or her designate or any other person the Audit Committee requests, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.
- 3.3 Quorum** - A majority of the members of the Audit Committee shall constitute a quorum. If a quorum cannot be obtained for an Audit Committee meeting, members of the Board who would qualify as members of the Audit Committee may, at the request of the Chair or the Chairman of the Board, serve as members of the Audit Committee for that meeting.
- 3.4 Access to Management and Outside Advisors** - The Audit Committee shall have unrestricted access to management and employees of the Corporation, and, from time to time may hold meetings with the external auditor, the CFO or the President and CEO. The Audit Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of the Corporation. The Corporation shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.
- 3.5 Meetings Without Management** - The Audit Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

4. FUNCTIONS AND RESPONSIBILITIES

The Audit Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these functions and responsibilities, the Audit Committee shall perform the duties required of an audit committee by applicable corporate securities laws, the binding requirements of the stock exchanges on which the securities of the Corporation are listed, and all other applicable laws.

4.1 Financial Reports

- (a) **General** - The Audit Committee is responsible for reviewing the integrity of the Corporation's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Corporation. The external auditors are responsible for auditing the Corporation's annual consolidated financial statements and, if requested by the Corporation, for reviewing the Corporation's unaudited interim financial statements.
- (b) **Review of Annual Financial Reports** - The Audit Committee shall review the annual consolidated audited financial statements of the Corporation, the external auditors' report thereon and the related management's discussion and analysis of the Corporation's financial condition and results of operation to determine whether they present fairly, in all material respects in accordance with

International Financial Reporting Standards (“IFRS”) in which the financial statements of the Corporation are prepared from time to time, the financial condition, results of operations and cash flows of the Corporation. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

- (c) **Review of Interim Financial Reports** - The Audit Committee shall review the interim consolidated financial statements of the Corporation, the external auditors review report thereon, if applicable, and the related MD&A to determine whether they present fairly, in all material respects in accordance with IFRS, the financial condition, results of operations and cash flows of the Corporation. After completing its review, if advisable, the Audit Committee shall, if so authorized by the Board, approve the interim financial statements and the related MD&A, or if not authorized by the Board, then approve and recommend for Board approval.
- (d) **Review Considerations** - In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:
- (i) meet with management and the external auditors to discuss the financial statements and MD&A;
 - (ii) review the disclosures in the financial statements;
 - (iii) review the audit report or review report prepared by the external auditors;
 - (iv) discuss with management, the external auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
 - (v) review critical accounting and other significant estimates and judgments underlying the financial statements as presented by management;
 - (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;
 - (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
 - (viii) review management’s report on the effectiveness of internal controls over financial reporting;
 - (ix) review results of the Corporation’s whistleblowing program; and
 - (x) review any other matters, related to the financial statements, that are brought forward by the external auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or applicable law.

4.2 Approval of Other Financial Disclosures - The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Corporation, press releases disclosing financial results of the Corporation and any other material financial disclosure, including in Management Information Circulars and Annual Information Forms.

4.3 External Auditors

- (a) **General** -The Audit Committee shall be responsible for oversight of the work of the external auditors in auditing and reviewing the Corporation’s financial statements and internal controls over financial reporting.

- (b) **Appointment and Compensation** - The Audit Committee shall review and, if advisable, select and recommend (i) for shareholder approval, the appointment of the external auditors and (ii) for shareholder or Board approval, as applicable, the compensation of the external auditors.
- (c) **Annual Review Report** - At least annually, the Audit Committee shall obtain and review a report by the external auditors describing: (i) their internal quality-control procedures and (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any of these issues.
- (d) **Audit Plan** - At least annually, the Audit Committee shall review a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.
- (e) **Quarterly Review Report** - If the external auditors review the Corporation's unaudited interim financial statements, then the Audit Committee shall review a quarterly review report prepared by the external auditors in respect of each of the interim financial statements of the Corporation.
- (f) **Independence of External Auditors** - At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Corporation, discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors, and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs.
- (g) **Evaluation and Rotation of Lead Partner** - At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of the external auditors. The Audit Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than seven fiscal years of the Corporation and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
- (h) **Pre-Approval of Non-Audit Services** - The Audit Committee shall pre-approve any retainer of the external auditors for any non-audit service to the Corporation in accordance with applicable law and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.
- (i) **Hiring Practices** - The Audit Committee shall review and approve guidelines regarding the hiring of employees or former employees of the external auditors.

4.4 Internal Controls

- (a) **General** - The Audit Committee shall monitor the system of internal control.

- (b) **Establishment, Review and Approval** - The Audit Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the external auditors: (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Corporation's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions; (ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's periodic regulatory filings; (iii) any material issues raised by any inquiry or investigation by the Corporation's regulators; (iv) any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.
- 4.5 Whistleblowing Procedures** - The Audit Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by the Corporation from employees or others, regarding accounting, internal accounting controls, or auditing matters.
- 4.6 Succession Planning** - In consultation with the Board, the Audit Committee shall review, if applicable, succession plans for the CFO and Controller of the Corporation. The Audit Committee shall review candidates for the position of CFO of the Corporation and make recommendations to the Board with respect to the appointment of a CFO.
- 4.7 Adverse Investments and Transactions** - The Audit Committee shall review any investments and transactions that could adversely affect the well-being of the Corporation.
- 4.8 Audit Committee Disclosure** - The Audit Committee shall review and approve any audit committee disclosures required by securities regulators in the Corporation's disclosure documents.
- 4.9 Assessment of Regulatory Compliance** - The Audit Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report its findings to the Board and recommend changes it considers appropriate.
- 4.10 Delegation** - The Audit Committee may designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.
- 5. REPORTING TO THE BOARD**
- 5.1** The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Audit Committee or as requested by the Board, on matters arising at Audit Committee meetings and, where applicable, shall present the Audit Committee's recommendation to the Board for its approval.

SCHEDULE “D”

MANDATE OF THE BOARD OF DIRECTORS

The board of directors of the Corporation (the “**Board**”) is responsible for the supervision of the management of the Corporation’s business and affairs, with the objective of increasing corporate performance and, ultimately, shareholder value.

Although management conducts the day-to-day operations of the Corporation, the Board has a duty of stewardship and regularly assesses and monitors management’s performance.

In spite of the fact that directors may be elected by the shareholders to bring a special expertise or point of view to Board deliberations, they are not chosen to represent a particular constituency. All decisions of each Board member must be made in the best interests of the Corporation.

Directors are expected to attend all Board meetings and review all meeting materials in advance. They are expected to take an active part in Board decisions.

From time to time, the Board may delegate certain tasks to its committees. However, such delegation does not relieve the Board of its overall responsibilities.

COMPOSITION AND QUORUM

The Board is composed of a minimum of three and a maximum of twelve members.

The quorum at any meeting of the Board is a majority of directors in office.

RESPONSIBILITIES

The Board has the following responsibilities:

With respect to strategic planning

- (1) Approving the Corporation’s long-term strategy, taking into account, amongst other matters, business opportunities and risks.
- (2) Approving and monitoring the implementation of the Corporation’s business plan.
- (3) Advising management on strategic issues.

With respect to human resources and performance assessment

- (1) Choosing the Chief Executive Officer (“**CEO**”) and approving the appointment of other senior management executives.
- (2) Monitoring and assessing the performance of the CEO and of senior management and approving their compensation.
- (3) Monitoring management and Board succession planning processes.
- (4) Monitoring the size and composition of the Board and its committees based on competencies, skills and personal qualities sought in Board members.
- (5) Approving the list of Board nominees for election by shareholders.

With respect to financial matters and internal control

- (1) Monitoring the integrity and quality of the Corporation’s financial statements and the appropriateness of their disclosure.
- (2) Reviewing the general content of, and the Audit Committee’s report on the financial aspects of, the Corporation’s Annual Information Form and Annual Report, as applicable, Management Proxy Circular, Management’s Discussion and Analysis, prospectuses and any other documents required

to be disclosed or filed by the Corporation before their public disclosure or filing with regulatory authorities.

- (3) Approving annual operating and capital budgets, the issuance of securities and, subject to the schedule of authority adopted by the Board, any transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major transactions such as investments or divestitures.
- (4) Determining dividend policies and procedures, as applicable.
- (5) Taking all reasonable measures to ensure that appropriate systems are in place to identify business risks and opportunities and overseeing the implementation of processes to manage these risks and opportunities.
- (6) Monitoring the Corporation's development of internal control and management information systems.
- (7) Monitoring the Corporation's compliance with applicable legal and regulatory requirements.
- (8) Reviewing at least annually the Corporation's communications policy and monitoring the Corporation's communications with analysts, investors and the public.

With respect to corporate governance matters

- (1) Taking all reasonable measures to satisfy itself as to the integrity of management and that management creates a culture of integrity throughout the Corporation.
- (2) Reviewing, on a regular basis, appropriate corporate governance structures and procedures, including the identification of decisions requiring approval of the Board and, where appropriate, measures for receiving stakeholder feedback, and the adequate public disclosure thereof.
- (3) Adopting and reviewing, on a regular basis, the Corporation's Code of Ethics, applicable to the Corporation's directors, its CEO, its financial officers and its other officers and employees and monitoring compliance with such code.
- (4) Taking all reasonable measures to ensure the annual performance assessment of the Board, Board committees, Board and committee chairs and individual directors.
- (5) Adopting orientation and continuing education programs for directors as to the business of the Corporation and as to directors' responsibilities generally.

METHOD OF OPERATION

- (1) Meetings of the Board are held at least quarterly and as required; in addition, a meeting of the Board is held, at least annually, which includes the review of the Corporation's strategic plan or annual budget.
- (2) The Board chair develops the agenda for each meeting of the Board. The agenda and the appropriate material are provided to directors of the Corporation on a timely basis prior to any meeting of the Board.
- (3) Independent directors meet periodically without management and other non-independent directors present.

SCHEDULE "E"

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

1. **PURPOSE OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE** (the "CGNC")
 - 1.1 The CGNC will assist the Board of Directors in fulfilling its governance/supervisory regarding corporate governance in general, including without limitation: (i) activities relating to the selection, appointment and compensation of qualified, effective directors; (ii) matters relating to the stewardship role of the Board in respect of the management of the Corporation; and (iii) such procedures as may be necessary to allow the Board to carry out its activities independent of management. The CGNC's primary responsibilities and duties are to assist the Board of Directors with its oversight responsibilities by the following:
 - (a) *Board Nominee Identification* - The CGNC shall establish processes for identifying, interviewing and recommending to the Board suitable nominees for appointment to the Board as additional members or to succeed existing Directors, guided by the following general principles in deciding upon such appointments: (i) the specific skill set required by the Board at a given time taking into account the skill sets of the remaining Board members; (ii) relevant industry, academic and employment-related qualifications of the individual; (iii) relevant industry experience; and (iv) alignment with the philosophies of the Corporation, including a commitment to promote the implementation of the policies adopted by the Corporation.
 - (b) *Committee Chair Recommendations* - The CGNC shall recommend to the Board a member of each Board committee to serve as Chair of such committee (including the CGNC).
 - (c) *Board Independence* - The CGNC shall formulate and administer all procedures required to ensure that the Board functions independently of management.
 - (d) *Monitoring Effectiveness* - The CGNC shall monitor the effectiveness of the relationship between management of the Corporation and the Board and the effectiveness of the operation of the Board, Board committees and individual Directors, and recommend and ensure appropriate changes and improvements are made to meet the appropriate level of effectiveness.
 - (e) *Board Stewardship* - The CGNC shall make recommendations to the Board, on an ongoing basis, concerning corporate governance in general and regarding the Board's stewardship role in the management of the Corporation; including the roles and responsibilities of Directors and the recommendation of appropriate policies and procedures to ensure Directors carry out their duties with due diligence and in compliance with all legal requirements. In particular, the Governance Committee will monitor compliance with any rules, regulations or guidelines promulgated by regulatory authorities relating to corporate governance.
 - (f) *Committee Structure and Membership* - The CGNC shall review the roles and mandates of the Board's committees and any recommendations received from the committees, and recommend appropriate changes. It will also assess and provide recommendations on an annual basis to the Board on the effectiveness of the committees of the Board. The CGNC shall consider on a regular basis whether and to what extent the contribution of each of the Corporation's Directors on the Board's committees should be assessed.
 - (g) *Policies* - Review and recommend the adoption of corporate policies such as disclosure and insider trading policies, and other relevant policies associated with ensuring an effective system of corporate governance.

The CGNC will also conduct such other duties as may be assigned by the Board. With respect to the exercise of its duties and responsibilities, the CGNC should:

- (a) exercise the care, diligence and skill that a reasonably prudent person would exercise gathering and considering all material information;
- (b) remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions;
- (c) understand and weigh alternative courses of conduct that may be available;
- (d) focus on weighing the benefit versus harm to the Corporation and its shareholders when considering alternative recommendations or courses of action;
- (e) if the CGNC deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining consultants or others to assist the Committee in fulfilling its duties and responsibilities; and
- (f) provide management with appropriate opportunities to meet privately with the CGNC.

Nothing in this Charter is intended, or should be determined, to impose on any member of the CGNC a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject at law.

2. COMPOSITION AND MEETINGS

- 2.1 The CGNC shall be comprised of at least two directors, each of whom shall be an independent director, who is unrelated and free of any relationship that in the opinion of the Board of Directors would interfere with his or her exercise of independent judgment as a committee member.
- 2.2 The CGNC will have a Chairperson nominated or approved by the Board of Directors from time to time as the Board sees fit.
- 2.3 A quorum for any meeting of the CGNC shall be a majority or all if only two of its members.
- 2.4 The CGNC shall meet at least once annually and more frequently as circumstances may dictate. The Chairperson shall prepare and/or approve of an agenda in advance of each meeting. The CGNC should meet privately in executive session at least annually with management.
- 2.5 The CGNC shall be empowered to retain, at the expense of the Corporation, independent legal counsel, accountants or other consultants to assist it in the conduct of its Charter.