CALIAN TECHNOLOGIES LTD.
MANAGEMENT PROXY CIRCULAR
DECEMBER 3, 2015
SOLICITATION OF PROXIES

This Management Proxy Circular (this "Circular") is furnished in connection with the solicitation by the management of CALIAN TECHNOLOGIES LTD. (the "Corporation") of proxies to be used at the Annual and Special meeting of shareholders of the Corporation to be held on Friday, February 5, 2016 at 10:00 a.m. (Ottawa time) at the Brookstreet Hotel, 525 Legget Drive, Kanata, Ontario for the purposes set forth in the enclosed notice of meeting or any adjournment thereof (the "Meeting"). It is expected that the solicitation will be primarily by mail, but employees of the Corporation may also solicit proxies personally. The cost of solicitation by management will be borne by the Corporation.

Except as otherwise stated, the information contained in this Circular is given as of December 3, 2015. All dollar amounts in this Circular are in Canadian dollars unless otherwise indicated.

APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES

A vote at all meetings of shareholders of the Corporation may be given in person or by proxy whether or not the proxy holder is a shareholder. The persons named in the Form of Proxy enclosed with this Circular are officers of the Corporation. **Each shareholder is entitled to appoint a person other than the individuals named in the Form of Proxy to represent such shareholder at the Meeting.** A registered shareholder desiring to appoint some other person to represent that shareholder at the Meeting may do so either by inserting such person's name in the blank space provided in the appropriate Form of Proxy or by completing another proper Form of Proxy and, in either case, delivering the completed proxy to the Corporation's transfer agent, CST Trust Company, P.O. Box 721, Agincourt, Ontario, M1S 0A1, in the addressed envelope enclosed or by fax to 1-866-781-3111, or to the Secretary of the Corporation no later than 10:00 a.m. (Ottawa time) on Wednesday, February 3, 2016.

The officers named in the Form of Proxy will vote for or withhold from voting the common shares in the capital of the Corporation (the "Common Shares") for which they are appointed proxy holders (including on any ballot that may be called for) in accordance with the instructions of the shareholder appointing them. **In the absence of such instructions, such Common Shares will be voted FOR the election of each nominated Director, FOR the appointment of auditors, FOR the change of the Corporation's name to Calian Group Ltd., FOR the re-approval of the 2012 Stock Option Plan (as defined herein), FOR the confirmation of the Shareholder Rights Plan (as defined herein) and FOR the amendments to the Corporation's Purchase Plan (as defined herein).** The Form of Proxy confers discretionary authority with respect to amendments or variations to matters identified in the notice of meeting and other matters, which may properly come before the Meeting. At the date hereof, management of the Corporation is not aware of any other matters to come before the Meeting. Any amendment, variation or other matter, which is not known to management, which may properly come before the Meeting, will be voted upon by the proxies hereby solicited in accordance with the best judgment of the person or persons voting such proxies.

Pursuant to Section 148(4) of the *Canada Business Corporations Act* (the "CBCA"), a proxy given pursuant to this solicitation may be revoked (1) by instrument in writing, executed by the shareholder or by the shareholder's attorney authorized in writing and deposited (a) at the registered office of the Corporation at 340 Legget Drive, suite 101, Ottawa, Ontario, K2K 1Y6 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 (b) prior to voting with the chair of the Meeting on the day of the Meeting, or any adjournment thereof or (3) in any other manner permitted by law. **If a shareholder appoints some person other than the officers named in the Form of Proxy to represent the shareholder, such person will vote the Common Shares in respect of which that person is appointed proxy holder in accordance with the direction of the shareholder who appointed that person. In the absence of such direction, that person may vote such shares at that person's discretion. It is the responsibility of the shareholder appointing any other person to represent such shareholder to inform that person that that person has been so appointed.**

Only registered holders of Common Shares, or the persons that they appoint as proxies, are permitted to attend and vote at the Meeting. In many cases, however, Common Shares are beneficially owned by a shareholder (a "Non-Registered Holder") and are registered either: (i) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the meeting materials to Intermediaries and clearing agencies for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. If you are a Non-Registered Holder, your name and address will appear on the voting instruction form sent to you by the Corporation's transfer agent, CST Trust Company, or by an Intermediary (bank, broker or trust company). A Non-Registered Holder may vote or appoint a proxy by mail, phone, fax or on the Internet, as applicable, in accordance with the voting instruction form. CST Trust Company or your Intermediary, as applicable, will submit the vote or proxy appointment to the Corporation on your behalf. You must submit your voting instruction form in accordance with the instructions and within the time limits set out in the voting instruction form.

IF YOU HOLD YOUR COMMON SHARES THROUGH A BROKERAGE ACCOUNT OR OTHER INTERMEDIARY YOU ARE A NON-REGISTERED HOLDER. NON-REGISTERED HOLDERS SHOULD CAREFULLY FOLLOW THE INSTRUCTIONS IN THE VOTING INSTRUCTION FORM, INCLUDING THOSE REGARDING WHEN AND WHERE THE VOTING INSTRUCTIONS FORM IS TO BE DELIVERED. IF YOU OR A PERSON YOU DESIGNATE PLAN TO ATTEND THE MEETING AND VOTE YOU MUST APPOINT YOURSELF OR THAT PERSON AS PROXY USING THE VOTING INSTRUCTION FORM.

A Non-Registered Holder may revoke a form of proxy or voting instructions form given to CST Trust Company or an Intermediary by contacting CST Trust Company or your Intermediary following the instructions on the voting instruction form. In order to ensure that CST Trust Company or an Intermediary, as applicable, acts upon a revocation of a proxy form or voting instruction form, the written notice should be received well in advance of the Meeting.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

NOTICE AND ACCESS

The Corporation is sending proxy-related materials to Non-Registered Holders using Notice and Access. Notice and Access is a set of rules that reduces the volume of materials that must be physically mailed to shareholders by posting the information circular and additional materials online. Non-Registered Holders will still receive the Notice of Meeting, and may choose to receive a hard copy of the Circular and other materials. Details are included in the Notice of Meeting. This Circular, the Notice of Meeting, a form of proxy, the annual information form, the audited annual financial statements of the Corporation for the year ended September 30, 2015 and the MD&A relating to such financial statements are available on SEDAR at www.sedar.com and at www.calian.com.

Shareholders are reminded to review these online materials when voting. Non-Registered Holders may choose to receive paper copies of such materials or obtain further information about Notice and Access by contacting the Corporation at the toll free number 1-877-225-4264.

Registered shareholders of the Corporation will receive hard copies of this Circular, the Notice of Meeting, the form of proxy and the Corporation's 2015 Annual Report.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As of the date of this Circular, 7,378,298 Common Shares were issued and outstanding, the holders of which are entitled to one vote for each Common Share held. The board of directors of the Corporation (the "Board") has fixed the close of business on December 11, 2015 as the record date for the purpose of determining shareholders entitled to receive notice of and to vote at the Meeting. The failure of any shareholder to receive notice of a meeting of the shareholders does not, however, deprive such shareholder of a vote at such meeting.

As of December 3, 2015 the directors or officers of the Corporation are not aware of any person(s) to be the beneficial owner of or exercise control or direction over more than 10% of the Common Shares.

PRESENTATION OF FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

The Corporation's audited financial statements for the year ended September 30, 2015 (the "Financial Statements") and the auditors' report on the Financial Statements will be presented to shareholders at the Meeting. The Financial Statements are included in the Corporation's 2015 Annual Report which accompanies this Circular. In accordance with the provisions of the CBCA, the Financial Statements are merely presented at the Meeting and will not be voted on.

The Corporation has filed an Annual Information Form (the "AIF") for its 2015 fiscal year and its 2015 Annual Report on SEDAR at www.sedar.com that contain, among other things, all of the financial disclosure (including copies of the Financial Statements and management's discussion and analysis of the Financial Statements) required under National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators. In particular, the information that is required to be disclosed in Form 52-110F1 of National Instrument 52-110 may be found under the heading "Audit Committee" in the AIF. Upon request, the Corporation will promptly provide copies of the AIF to shareholders free of charge.

ELECTION OF DIRECTORS

The Board is elected annually. The number of directors of the Corporation to be elected at the Meeting is set at six (6). Each of the persons listed below is proposed to be nominated as a director of the Corporation to serve until the next annual meeting or until such person's successor is elected or appointed, and each has agreed to serve as director if elected. Unless a shareholder directs that such shareholder's Common Shares are to be withheld from voting for the election of directors, the persons designated in the enclosed proxy will vote FOR the election of each proposed nominee listed in the table below, all of whom are currently directors of the Corporation:

Name and Present Principal Occupation	Period of Service as a Director	Number of Common Shares Beneficially Held, Directly and Indirectly
Kenneth J. Loeb [(1)(2)(3)(4)(5)], Ontario, Canada President Mystic Investment Inc.	2001 – 2015	4,686
Senator David Tkachuk [(1)(2)(3)], Saskatchewan,	2003 – 2015	2,718

Name and Present Principal Occupation	Period of Service as a Director	Number of Common Shares Beneficially Held, Directly and Indirectly
Canada, Member of the Senate of Canada		
Richard A. Vickers, FCPA, FCA [(1)(2)(3)(4)], Ontario, Canada Consultant, R. A. Vickers Management Inc.	2003 – 2015	4,533
George Weber[(1)(2)(3)(4)], Ontario, Canada President and Chief Executive Officer of the Royal Ottawa Health Care Group	2012 – 2015	2,415
Ray Basler, Saskatchewan, Canada Consultant	2005 – 2015	67,028
Kevin Ford, Ontario, Canada President and Chief Executive Officer of the Corporation	2014 – 2015	2,744

(1) Member of the Audit Committee of the Board
(2) Member of the Compensation Committee of the Board
(3) Member of the Governance Committee of the Board
(4) Member of the Nominating Committee
(5) Chairman of the Board

The above-mentioned persons have held the principal occupations set below their names or other management functions within their respective organizations for at least the last five years with the exception of:

RAY BASLER who was President And Chief Executive Officer of Calian Technologies Ltd. until March 31, 2015.

KEVIN FORD, who was the Vice President and General Manager, Business and Technology Services division of Calian Technologies Ltd. from October 1, 2010 to March 31, 2015.

No director or executive officer of the Corporation and, to the knowledge of the Corporation, no shareholder holding a sufficient number of securities of the Corporation to materially affect its control is or was, in the 10 years preceding the date of this Circular, a director or executive officer of any company that was, while that person was acting in that capacity, (a) the subject of a cease trade or similar order or an order that denied any such company access to any exemption under securities legislation for a period of more than 30 consecutive days, (b) subject to an event that resulted, after such person ceased to be a director or executive officer, in such company being the subject of any such order or (c) within a year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any bankruptcy or insolvency related legislation 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.

No director or executive officer of the Corporation and, to the knowledge of the Corporation, no shareholder holding a sufficient number of securities of the Corporation to materially affect its control, within the 10 years preceding the date of this Circular, became bankrupt, made a proposal under any bankruptcy or insolvency related legislation 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.

Management does not contemplate that any of the nominees listed above will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Form of Proxy reserve the right to vote for any nominee in their discretion unless the shareholder has specified in the Proxy that such shareholder's Common Shares are to be withheld from voting in the election of the initial nominee who is unable to serve as a director.

Directors' Attendance

For the 12-month period ended September 30, 2015, the Board met five times, the Audit Committee met four times, the Compensation Committee met three times, the Governance Committee met twice and the Nominating committee met once. Compensation and governance issues are also discussed during the quarterly Board meetings with all of the Board members present. All of the directors were present at all Board and committee meetings either by phone or in person.

Majority Voting Policy

The Board has adopted a majority voting policy in director elections that will apply at any meeting of the Corporation's shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Chair of the Board promptly following the applicable shareholders' meeting. Following receipt of resignation, the Governance Committee will consider whether or not to accept the offer of resignation and make a recommendation to the Board. Within 90 days following the applicable shareholders' meeting, the Board shall publicly disclose their decision whether to accept the applicable director's resignation or not, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board or the Governance Committee at which the resignation is considered.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis and the following tables and narratives set forth below present information regarding the compensation of the Chief Executive Officer, Chief Financial Officer and the Vice-President and General Manager of the SED division (the "Named Executive Officers" or "NEOs"), who represents the most highly compensation executive officer of the Corporation who earned more than $150,000 in total compensation during the fiscal year ended September 30, 2015 in accordance with the National Instrument 51-102 of the Canadian Securities Administrators.

Executive Summary

The financial strength of the Corporation that has been cultivated under the current executive team has enabled the Corporation to maintain sufficient liquidity and financial flexibility to continue delivering a high return to shareholders along with a healthy dividend. The performance of the Corporation is measured by earnings performance. Based on this performance, the Board approved compensation to NEOs as described below. Looking ahead to 2016, attraction and retention of critical talent, including executive expertise, remains a focus. The Board believes that the Corporation is well positioned to continue to execute on its plans.

Objectives of the Compensation Program

The Board has adopted a pay for performance philosophy and executive compensation program whereby executives receive compensation based upon the market value of the type of job they perform and their level of individual performance. The Corporation's policy with respect to the compensation of NEOs specifically:

- Seek to align management's interest with shareholder interest through both short and long-term incentives linking compensation to performance. The short-term incentive is in the form of cash incentives while the longer term incentive is in the form of stock options which creates a direct correlation between variations in the Corporation's stock price and the compensation of NEO.
- Ensure that overall compensation for NEOs is not only internally equitable, but also competitive in today's market based on experience and length of service with the Corporation in order to attract, retain and motivate individuals with the qualifications and commitment needed to enhance shareholder value and maintain the Corporation's competitiveness in its market segment.

COMPENSATION GOVERNANCE

Compensation Committee

The Compensation Committee is comprised of the following 4 independent directors: Senator David Tkachuk (chair), Ken Loeb, Rich Vickers and George Weber, each of whom the Board determined has the knowledge and experience to effectively perform his responsibilities. The members of the Committee have expertise in, among other areas, business management and finance, and 3 of whom are current or former principal executive officers.

The Compensation Committee's mandate includes reviewing and studying compensation and compensation policies for the Corporation, including the level of compensation paid to the Chief Executive Officer, and reporting on such matters to the Board; reviewing the goals and objectives of the Chief Executive Officer at the beginning of each year and providing an appraisal of the Chief Executive Officer's performance for the most recently completed year; and reviewing the performance of the senior officers of the Corporation including the level of short-term and long-term incentives awarded to each. The compensation for all remaining executives (except for that contractually provided for) is determined by the Chief Executive Officer.

Risk Assessment

Risk management begins with an active Board and management team engaged in analysing many risks the Corporation faces and working with Corporation leaders to manage those risks. Compensation programs can help mitigate risk-taking, but risks cannot be solely managed through these incentive plans. In connection with the adoption of the annual objectives for 2015, the Compensation Committee considered the extent to which the incentive plans could potentially incentivize unnecessary or inappropriate risk-taking or short-term decision making.

The Corporation's incentive plan addresses both short and long term performance. The Compensation Committee believes that certain tools and policies mitigate the potential for executives to take excessive short-term risks at the expense of the long-term health of the Corporation. Short-term compensation is based only on profitability achieved, which is compared to the annual business plan, scrutinized by the Corporation's auditors and reviewed as part of the Audit Committee review of financial results for each division; and is only paid to executives after the audited annual results are approved by the board. In addition, overall compensation risks are further mitigated through the business planning process as annual and strategic plans are reviewed in detail by the Board with a focus on creating long-term value. Finally, the board can exercise judgment in giving compensation when special circumstances dictate that the current incentive plans do not align with the overall performance objectives of the Corporation.

The Compensation Committee considers that the processes in place including mitigating factors are effective and based on its review, does not believe that the compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Corporation.

Summary of Compensation Elements

The Corporation believes that the following elements of compensation, when combined, provide an appropriate mix of conventional and incentive-based compensation. No changes are currently expected for the year ending September 30, 2016.

Element	Purpose
Base salary	Provide a fixed level of compensation for performing day-to-day responsibilities, competency and for attraction and retention.
Short-term incentive plan	Provide a competitive, performance-based cash award based on earnings.
Option awards	Recognize longer-term contributions and align management and shareholder interests.

Base salaries are determined on the basis of outside market data as well as individual performance and experience level. The annual bonus paid to each of the Chief Executive Officer and the Chief Financial Officer is based on the overall operating profitability of the Corporation. Annual bonuses are also paid to the senior managers of the Corporation based on a percentage of divisional profitability and individual performance. Certain members of the executive team are primarily responsible for the financial performance of a specific division. During the year ended September 30, 2015, Mr. Patrick Thera was responsible for the performance of the Corporation's Systems Engineering division, and Mr. Kevin Ford, in addition to his responsibilities as CEO effective April 1, 2015, continued to be responsible for the performance of the Corporation's Business and Technology Services division. To date no specific formulas have been developed to assign a specific weighting to the elements of compensation used by the Corporation.

In establishing levels of compensation and granting stock options, the Board of Directors considers the executive's performance, level of expertise, responsibilities and length of service to the Corporation. To date, a benchmarking exercise has not yet been undertaken in respect of compensation of Named Executive Officers.

Option-based Awards:
The Board through its Compensation Committee has the responsibility of designing Option-based award plans as incentive for senior managers to consider long-term sustainability of the Corporation. In establishing levels of stock option grants, the Board considers the executive's performance, level of expertise, responsibilities and length of service to the Corporation. Stock options granted to Named Executive Officers in past periods are considered in granting new options.

Trading Policy:
NEOs and directors are not permitted to speculate on the Corporation's securities and therefore are not permitted to purchase financial instruments that are designed to hedge or offset a decrease in market value of the Corporation's securities granted as compensation or held directly or indirectly by NEOs or directors.

Performance Graph

The following graph compares the percentage change in the cumulative total shareholder return on the Common Shares with the cumulative total return of the S&P/TSX Composite Total Return Index for the five year period ended September 30, 2015. The following graph assumes $100 was invested on September 30, 2010 and reinvestment of all dividends.

The trend shown by the performance graph above represents a growth of 14.92% in the cumulative shareholder return from 2010 to 2015. Over the same period the total compensation received by the NEOs in aggregate, decreased by 16%.

SUMMARY COMPENSATION TABLE
(all Canadian dollar amounts rounded to nearest dollar)

The following table sets forth all compensation earned by each Named Executive Officer for each of the Corporation's three most recent completed financial years.

Name and Principal Position	Year	Salary	Share-based awards	Option-based awards (1)	Non-equity incentive plan compensation: Annual incentive plan	Non-equity incentive plan compensation: Long-term incentive plans	Pension Value	All Other Compensation (2)	Total Compensation
Kevin Ford [4] President and Chief Executive Officer	2015 2014 2013	$267,750 $262,500 $257,000	- - -	$22,500 $34,500 -	$222,000 $130,000 $175,000	- - -	- - -	- - -	$512,250 $427,000 $432,000
Jacqueline Gauthier Vice President, Chief Financial Officer and Corporate Secretary	2015 2014 2013	$208,000 $206,000 $200,000	- - -	$18,000 $23,000 -	$220,000 $215,000 $240,000	- - -	- - -	- - -	$446,000 $444,000 $440,000
Patrick Thera Vice President and General Manager Systems Engineering	2015 2014 2013	$185,600 $182,000 $171,360	- - -	$ 9,000 $17,250 -	$275,000 $260,000 $280,000	- - -	- - -	- - -	$469,600 $459,250 $451,360
Ray Basler [3] Former President and Chief Executive Officer	2015 2014 2013	$195,000 $370,000 $362,000	- - -	N/A $34,500 -	$228,000 $430,000 $480,000	- - -	- - -	- - -	$420,000 $834,500 $842,000

(1) The compensation costs related to the issuance of options during 2015 were calculated using the Black-Scholes option pricing model using the following assumptions: Risk free interest rate of 1%, expected dividend yield of 6.4%, stock price volatility of 17.6% and expected life of options of 4 years. The compensation costs related to the issuance of options during 2014 were calculated using the Black-Scholes option pricing model using the following assumptions: Risk free interest rate of 1.4%, expected dividend yield of 5.7%, stock price volatility of 17.4% and expected life of options of 4.0 years.

(2) Unless otherwise indicated, perquisites and other personal benefits do not exceed the lesser of $50,000 and 10% of the total of the annual salary and bonus of the Named Executive Officer.

(3) Ray Basler served as the Corporation's President and Chief Executive Officer until March 31, 2015. Compensation and awards received by Mr. Basler in his function as director of the Corporation have been included in the section related to the directors' compensation.

(4) In addition to his responsibilities as Vice President and General Manager, Business and Technology Services division, effective April 1, 2015, Kevin Ford was appointed as the Corporation's President and Chief Executive Officer.

INCENTIVE PLAN AWARDS

1. Outstanding share-based and option-based awards

The following table sets out all of the option-based awards outstanding for each of the Named Executive Officers as at September 30, 2015.

	Option-based Awards			
Name	**Number of securities underlying unexercised options**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**
Kevin Ford	25,000 30,000 15,000 15,000	$ 17.69 $ 19.70 $ 20.54 $ 18.65	September 9, 2020 September 3, 2019 August 13, 2017 Feb. 13, 2016	NIL NIL NIL NIL
Jacqueline Gauthier	20,000 20,000 15,000 15,000	$ 17.69 $ 19.70 $ 20.54 $ 18.65	September 9, 2020 September 3, 2019 August 13, 2017 Feb. 13, 2016	NIL NIL NIL NIL
Patrick Thera	10,000 15,000 15,000 15,000	$ 17.69 $ 19.70 $ 20.54 $ 18.65	September 9, 2020 September 3, 2019 August 13, 2017 Feb. 13, 2016	NIL NIL NIL NIL
Ray Basler	30,000 15,000 15,000	$ 19.70 $ 20.54 $ 18.65	September 3, 2019 August 13, 2017 Feb. 13, 2016	NIL NIL NIL

2. Incentive Plan Awards – value vested or earned during the year

The following table sets out the value of incentives earned by the Named Executive Officers or vested in their favour during the financial year ended September 30, 2015.

Name	**Option-based awards – Value vested during the year ($)**	**Share-based Awards – Value vested in the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
Kevin Ford	NIL	N/A	$ 222,000
Jacqueline Gauthier	NIL	N/A	$ 220,000
Patrick Thera	NIL	N/A	$ 275,000
Ray Basler	NIL	N/A	$ 228,000

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the number of Common Shares authorized for issuance from treasury under the Corporation's equity compensation plans as at September 30, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	495,000 [(1)]	$19.40	-

(1) These securities include Common Shares issuable under Stock Option Plan but do not include Common Shares authorized for issuance pursuant to the Purchase Plan. Under the Purchase Plan, the Corporation expects to issue approximately 22,000 Common Shares in February 2016 at a purchase price of approximately $14.09 per share, following which approximately 69,000 Common Shares will be available for issuance under the Purchase Plan, all in accordance with the terms and conditions thereof as disclosed to and approved by the Corporation's shareholders on February 26, 2003.

Stock Option Plans

On August 8, 2012, the Corporation established the new 2012 Stock Option Plan (the "Stock Option Plan"), which was approved by the shareholders of the Corporation on February 8, 2013 and replaced the Corporation's previous stock option plan (the "Old Plan" and, together with the Stock Option Plan, the "Stock Option Plans"). The Stock Option Plan is administered by the Compensation Committee which has the authority to select those directors and employees to whom options are granted, the number of options to be granted to each director and employee and the price at which Common Shares underlying such options may be purchased, provided that such price is not less than the market price of the Common Shares on the business day immediately preceding the date the option is granted. Options granted under the Stock Option Plan are generally non-transferable and each option, unless terminated pursuant to the Stock Option Plan, expires on a date determined by the Compensation Committee, which date will not be later than 10 years from the date the option was granted (unless the expiry falls during or within nine business days of the expiration of a blackout period, in which case the expiry date shall instead be 10 business days following the date the blackout period is lifted, terminated or removed).

Unless otherwise determined by the Compensation Committee, one-third of any option shall vest and may be exercised following each anniversary of the date of an option grant. The Compensation Committee may by written notice to any participant accelerate the vesting of all or any portion of any option.

The Compensation Committee may also accelerate the vesting of any or all outstanding options to provide that such options shall be fully vested and conditionally exercisable upon (or prior to) the completion of a change in control (as such term is defined in the Stock Option Plan). If the Compensation Committee elects to accelerate the vesting of any options and any such options are not exercised within ten (10) business days following the giving of the notice of the proposed change in control, such unexercised options shall terminate and expire upon the completion of the proposed change in control. Upon a change of control, the Compensation Committee may also instead provide for the conversion or exchange of any outstanding Options into or for options, rights or other securities in any entity participating in or resulting from such change in control.

Employees and directors of the Corporation are entitled to participate in the Stock Option Plan while they are engaged with the Corporation. If a participant under the Stock Option Plan dies or becomes disabled while engaged with the Corporation or retires from engagement with the Corporation, the right of that participant (or of that participant's legal representative) to participate in the Stock Option Plan terminates as of the date of death, disability or retirement, as may be applicable, but any vested options may be exercised within 180 days of that event (unless such options terminate earlier pursuant to their terms) and any unvested options terminate immediately on the date of that event. If a participant under the Stock Option Plan is terminated by the Corporation or voluntarily resigns from the Corporation, that participant may exercise any vested options may within 30 days of that event (unless such options terminate earlier pursuant to their terms) but any unvested options terminate immediately on the date of that event.

The maximum number of Common Shares that may be reserved for issuance to insiders of the Corporation pursuant to the Stock Option Plan (and any other security-based compensation arrangements) at any time, and the maximum number of Common Shares that may be issued to such insiders under the Stock Option Plan (and any other security-based compensation arrangements) within any one-year period, is 10% of the Common Shares outstanding. The Stock Option Plan does not provide for a maximum number of shares which may be issued to an individual pursuant to the plan and any other share compensation arrangement (expressed as a percentage or otherwise). Options granted under the Stock Option Plan may not be assigned in any manner whatsoever except with respect to a narrow group of permitted assigns with prior approval of the Board. The Stock Option Plan does not authorize the Corporation to provide financial assistance to participants.

The Board may at any time without shareholder approval amend any provision of the Stock Option Plan, any terms of any options granted or terminate the Stock Option Plan; provided, however, that shareholder approval is required to make amendments to: (a) increase the maximum number of Common Shares that may be issued under the Stock Option Plan or any increase to the insider participation limits, (b) increase the ability of the board to amend the Stock Option Plan without shareholder approval, (c) change the definitions of “Participant” and “Permitted Assigns” under the Stock Option Plan, (d) reduce the exercise price or an extension of the term benefiting an insider), or (e) add any form of financial assistance to a participant.

At September 30, 2015 and December 3, 2015, 495,000 options had been granted under the Stock Option Plans, which represents approximately 6.7% of the Corporation’s issued and outstanding Common Shares. During the fiscal year-ended September 30, 2015, the Corporation granted 95,000 options to purchase Common Shares under the Stock Option Plan.

Non-Equity Incentive Plan
The Board has authorized an incentive plan based on earnings before taxes and interest. The amount of entitlement of the CEO and CFO combined represents 3.34% of consolidated earnings before interest and income tax, the amount for the divisional General Manager has traditionally represented approximately 1.5% - 2.5% of the respective division’s earnings before interest and income tax.

Employee Stock Purchase Plan
The Corporation also has in place an employee stock purchase plan that has been approved by the shareholders of the Corporation (the “Purchase Plan”), pursuant to which the Corporation has reserved an aggregate of up to 500,000 Common Shares for issuance, of which 408,923 Common Shares have been issued as of September 30, 2015 and there has been no change to this number as at December 3, 2015. As described in greater detail under the heading “Particulars of other matters to be acted upon – 3. Adoption of Amended and Restated Employee Stock Purchase Plan” the Corporation is proposing to amend and restate the Purchase Plan. The following describes the current Purchase Plan without such amendment.

The Purchase Plan is intended to promote the interests of the Corporation by providing eligible employees, directors and consultants an opportunity to acquire a proprietary interest in the Corporation. Under the Purchase Plan, active employees regularly employed by the Corporation or any of its subsidiaries, who have been employed for at least three months, may contribute a percentage of their total salary to purchase Common Shares.

No Common Shares may be issued under the Purchase Plan if, together with Common Shares issued under the Stock Option Plan and any other share compensation arrangement, such issuance would result in the issuance to insiders within a one year period of a number of Common Shares exceeding 10% of the issued and outstanding Common Shares or the issuance to any one insider or such insider's associates within a one year period of a number of Common shares exceeding 5% of the issued and outstanding Common Shares. Further, the number of Common Shares issuable to any eligible employee shall not exceed 5% of the issued and outstanding Common shares. Common Shares acquired pursuant to the Purchase Plan are not subject to any restrictions on transfer other than those prescribed by applicable securities laws.

Any employee electing to participate in the Purchase Plan may contribute up to a maximum of 5% of their total annual salary each year. For one twelve-month period commencing on February 1st of each year and ending on January 31st of the subsequent year (the "February Offering Period") and for one six-month period commencing on August 1st and ending on January 31st of the subsequent year (the "August Offering Period" and each of the February Offering Period and the August Offering Period, an "Offering Period"), eligible employees will be given an opportunity to request that a percentage of their salary be deducted each pay period for the purpose of acquiring Common Shares. Such deductions shall commence on the first day of the applicable Offering Period following receipt of the election form and shall continue until the employee terminates his or her participation in the Purchase Plan of the Purchase Plan is terminated. The purchase price under the Purchase Plan for the February Offering Period is no less than 80% of the fair market value of the Common shares on February 1st of such period and the purchase price for the August Offering Period is no less than 90% of the fair market value of the Common Shares on August 1st of such period. The fair market value shall be the lower of (a) the weighted average sale prior for board lots of Common Shares on the TSX on the ten trading days immediately preceding the commitment date or (b) the weighted average sale prior for board lots of Common Shares on the TSX on the ten trading days immediately preceding the most recent press release of quarterly financial results for the Corporation's first fiscal quarter in respect of the February Offering Period and for the Corporation's third fiscal quarter in respect of the August Offering Period. Accordingly, the price that participants pay for Common Shares could be lower than their market price on the TSX.

An employee's right to participate in the Purchase Plan terminates upon the termination of his or her employment for any reason. An employee is also entitled at any time to end his/her participation in the Purchase Plan. In either instance, payroll deductions under the Purchase Plan shall cease and any payroll deductions credited to such employee's account shall be used to purchase Common Shares on the next purchase date. An employee's rights under the Purchase Plan may not be assigned to a third party under any circumstances. Any amendments to the Purchase Plan require TSX approval and may require shareholder approval. The Purchase Plan does not authorize the Corporation to provide financial assistance to participants.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Kevin Ford

Pursuant to an employment agreement dated November 11, 2014, Kevin Ford was appointed as the Corporation's President and Chief Executive Officer, effective upon the retirement of the former President and Chief Executive Officer (March 31, 2015). As of the date of this Circular, the compensation payable to Mr. Ford under this agreement is comprised of a salary in the amount of $320,000, a cash bonus in such amount determined from time to time by the Compensation Committee or the Board based on the Corporation's financial performance, options as determined by the Compensation Committee or the Board and a car allowance of $700 per month. In the event Mr. Ford is terminated by the Corporation for convenience, the Corporation is required to pay Mr. Ford an amount equal to 18 months' salary and benefits, subject to agreeing to a non-competition period of 12 months. Mr. Ford is also subject to non-solicitation, non-disparagement or confidentiality agreements with the Corporation.

Jacqueline Gauthier

Pursuant to an employment agreement dated February 22, 2005, Jacqueline Gauthier is employed by the Corporation as Vice President, Chief Financial Officer and Corporate Secretary. As of the date of this Circular, the compensation payable to Ms. Gauthier under this agreement is comprised of a salary in the amount of $212,500, a cash bonus in such amount determined from time to time by the Compensation Committee or the Board based on the Corporation's financial performance, options as determined by the Compensation Committee or the Board and a car allowance of $650 per month. In the event Ms. Gauthier is terminated by the Corporation for convenience, the Corporation is required to pay Ms. Gauthier an amount equal to 18 months' salary and benefits plus an amount equal to the outstanding bonus earned to the date of termination on the basis of the financial statements for the previous month.

Termination benefits

The following table provides details regarding the estimated incremental payments from the Corporation to each of the Named Executive Officers assuming termination on September 30, 2015.

Name	Termination benefits
Kevin Ford	$507,600
Jacqueline Gauthier	$335,700

The amounts above are payable upon termination for convenience. If termination for cause, no amounts would be payable. For Mr Ford, termination for cause is defined according to the laws in the Province of Ontario. For Ms. Gauthier, termination for cause is defined as a wilful act of gross insubordination or a deliberate act that can be shown to have materially harmed the Corporation's interest or if the executive habitually fails to make himself or herself available for work without reasonable excuse.

COMPENSATION OF DIRECTORS

During fiscal 2015, the Chairman of the Board is entitled to an annual retainer of $50,000 and each director of the Corporation who is not an employee is entitled to an annual retainer in the amount of $30,000 in addition to $500 per special purpose meeting and reimbursement of out of pocket expenses. The directors of the Corporation are not required to hold a minimum number of Common Shares. For fiscal 2016, the Chairman of the Board is entitled to an annual retainer of $50,000 and each director of the Corporation who is not an employee is entitled to an annual retainer in the amount of $30,000 in addition to $500 per special purpose meeting and reimbursement of out of pocket expenses.

To encourage the directors of the Corporation who are not employees of the Corporation to better align their interests with those of the shareholders by having an investment in the Corporation, a Deferred Share Unit Plan, or the DSU Plan was implemented on November 10, 2010. The DSU Plan provides that the directors of the Corporation who are not employees of the Corporation are required to receive a minimum of $5,000 of their annual Board retainer fees in the form of Deferred Share Units.

DSUs have a value equal to the weighted average trading prices of the shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the date when DSUs are credited to each director who is not an employee of the Corporation. DSUs take the form of a bookkeeping entry credited to his account which cannot be redeemed for cash for as long as he remains a member of the Board. All DSUs will, upon request by him, be redeemed for cash by the Corporation after he ceases to be a member of the Board; however, failing such request, the redemption of such DSUs for cash will occur automatically upon the expiry of a period as determined under the DSU Plan. The value of a DSU, when redeemed for cash, will be equivalent to the weighted average trading prices of the shares of the Corporation on the Toronto Stock Exchange for the five trading days immediately preceding the day of the redemption. DSUs confer the right to receive dividends paid in the form of additional DSUs at the same rate as the dividend paid on shares of the Corporation. The DSU plan is not dilutive.

Director Compensation table

The following table provides information regarding compensation paid to the Corporation's non-executive directors during the financial year ended September 30, 2015.

Name		**Fees earned ($) (1)**	**Share-based awards ($)**	**Option-based awards ($)**	**Non-equity incentive plan compensation ($)**	**Pension value ($)**	**All other compensation ($)**	**Total ($)**
Kenneth J. Loeb	2015	$40,000	$10,000	$9,000	Nil	Nil	Nil	$59,000
Ray Basler (2)	2015	$12,500	$2,500	$ 4,500	Nil	Nil	Nil	$19,500
David Tkachuk	2015	$20,000	$10,000	$ 4,500	Nil	Nil	Nil	$34,500
Richard A. Vickers	2015	$25,000	$5,000	$ 4,500	Nil	Nil	Nil	$34,500
George Weber	2015	$25,000	$5,000	$ 4,500	Nil	Nil	Nil	$34,500

(1) ***Excluding fees paid in DSUs, which are listed under the heading Share-based Awards***

(2) ***Represents fees earned in the period following Mr. Basler's service as the Corporation's President and Chief Executive Officer (during which he was not eligible for director compensation).***

1. Outstanding share-based awards and option-based awards

The following table sets out all of the option-based and share-based awards outstanding for each non-executive director as at September 30, 2015.

	Option-based Awards				Share-based award (DSU)		
Name	**Number of securities underlying unexercised options**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested**	**Market payout value of unit of shares that have not vested**	**Market payout value of unit of shares that have vested and not paid-out**
Ken Loeb	10,000 10,000 10,000 5,000	$ 17.69 $ 19.70 $ 20.54 $ 18.65	September 9, 2020 September 3, 2019 August 13, 2017 Feb. 13, 2016	NIL NIL NIL NIL	141	$2,305	$52,581
David Tkachuk	5,000 5,000 5,000 5,000	$ 17.69 $ 19.70 $ 20.54 $ 18.65	September 9, 2020 September 3, 2019 August 13, 2017 Feb. 13, 2016	NIL NIL NIL NIL	141	$2,305	$46,971
Richard Vickers	5,000 5,000 5,000 5,000	$ 17.69 $ 19.70 $ 20.54 $ 18.65	September 9, 2020 September 3, 2019 August 13, 2017 Feb. 13, 2016	NIL NIL NIL NIL	71	$1,153	$23,485
George Weber	5,000 5,000	$ 17.69 $ 19.70	September 9, 2020 September 3, 2019	NIL NIL	71	$1,153	$12,223
Ray Basler(1)	5,000	$ 17.69	September 9, 2020	NIL	68	$1,111	$2,239

(1) ***Represents option granted in the period following Mr. Basler's service as the Corporation's President and Chief Executive Officer (during which he was not eligible for director compensation).***

2. Incentive plan Awards – value vested or earned during the year

The following table sets out the value of incentives earned by the non-executive directors or vested in their favour during the financial year ended September 30, 2015.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested in the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Kenneth J. Loeb	NIL	$10,000	N/A
Sen. David Tkachuk	NIL	$10,000	N/A
Richard A. Vickers	NIL	$5,000	N/A
George Weber	NIL	$5,000	N/A
Ray Basler	NIL	$1,250	N/A

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

There was no indebtedness owed to the Corporation during the fiscal year ended September 30, 2015 by any individual who was a director, executive officer and senior officer of the Corporation (and any associate of the foregoing).

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation maintains directors' and officers' liability insurance in the aggregate principal amount of $50,000,000. The premium payable for such insurance during the period from October 26, 2015 to October 26, 2016 is $118,000. The by-laws of the Corporation generally provide that the Corporation shall indemnify a director or officer of the Corporation against liability incurred in such capacity to the extent permitted or required by the CBCA. To the extent the Corporation is required to indemnify the directors or officers pursuant to its by-laws, the insurance policy provides that the Corporation is liable for the initial $150,000 in the aggregate for each loss claimed.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no interests of any directors, officers or holders of over 10% of the Common Shares, or any directors or officers of any holders of over 10% of the Common Shares or any affiliates or associates of any of the foregoing, in any transactions of the Corporation since the commencement of Corporation's most recently completed financial year or in any proposed transaction that have materially affected or that would materially affect the Corporation or any of its subsidiaries.

APPOINTMENT OF AUDITORS

It is intended to vote the Proxy solicited hereby (unless the shareholder directs its Common Shares to be withheld from voting in the appointment of auditors) to re-appoint Deloitte LLP, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix the auditors' remuneration. Deloitte LLP was first appointed as the Corporation's auditors on March 25, 1991.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Canadian Securities Administrators have introduced National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "National Instrument") and National Policy 58-201 – *Corporate Governance Guidelines* (the "National Policy"). A complete description of the Corporation's approach to corporate governance in accordance with each of the National Instrument and the National Policy is set out in the "Statement of Corporate Governance Practices" attached as Appendix 1 to this Circular.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

1. Name Change

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the special resolution set forth in Appendix 3 to this Circular (the "**Name Change Resolution**") authorizing the Corporation to file articles of amendment under the CBCA to change the name of the Corporation from "Calian Technologies Ltd." to "Calian Group Ltd." or such other name as the Board deems appropriate, in its sole discretion (the "**Name Change**"). To be effective, the Name Change Resolution must be passed by at least two-thirds of the votes cast thereon by the shareholders present in person or by proxy at the Meeting.

The Corporation is proposing to change its name in order to more accurately reflect the current business activities of the Corporation. Accordingly, management and the Board believe that the inclusion of "Technologies" as a descriptive element in the Corporation's current name is limiting from a branding perspective with customers, vendors, alliance partners, investors, and existing and prospective employees and that the inclusion of "Group" more appropriately describes the diverse nature of the Corporation's business. The Name Change is subject to regulatory approval. The Common Shares currently trade under the symbol "CTY" on the TSX. Upon approval of the proposed Name Change Resolution, it is expected that the Common Shares will trade under the symbol "CGY" on the TSX.

The Board recommends to the shareholders that they approve the Name Change Resolution. The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the Name Change Resolution unless a shareholder has specified in his or her proxy that his or her shares are to be voted against such resolution.

2. Re-approval and Confirmation of 2012 Stock Option Plan

Pursuant to the rules of the Toronto Stock Exchange ("**TSX**"), the unallocated options, rights or other entitlements under a TSX listed issuer's security based compensation arrangement that does not have a fixed maximum number of securities issuable (which includes the 2012 Stock Option Plan), must be approved by a majority of the issuer's directors and by the issuer's securityholders every three years. Since the 2012 Stock Option Plan does not have a fixed number of Common Shares issuable thereunder but permits the issuance of up to an aggregate of 10% of the issued and outstanding Common Shares from time to time (currently representing 737,829 options as of December 3, 2015), the Corporation is seeking shareholder approval at the Meeting of the 2012 Stock Option Plan and all of the unallocated options issuable thereunder.

A copy of the complete 2012 Stock Option Plan is available on SEDAR at www.sedar.com. Copies are also available from the Corporate Secretary of the Corporation at its head office located at 340 Legget Drive, Suite 101, Ottawa, Ontario, Canada, K2K 1Y6.

The 2012 Stock Option Plan and the unallocated options thereunder were last approved by shareholders on February 8, 2013 at the Annual and Special Meeting of Shareholders. As the three-year term prescribed by the TSX expires on February 8, 2016, an ordinary resolution will be placed before shareholders at the Meeting to reconfirm the 2012 Stock Option Plan and approve the unallocated options thereunder. There have been no amendments to the 2012 Stock Option Plan as last ratified by shareholders on February 8, 2013.

As of the date hereof, there are options outstanding to purchase 495,000 Common Shares (representing approximately 6.7% of the aggregate number of issued and outstanding Common Shares), resulting in the 2012 Stock Option Plan currently having 242,829 unallocated options (representing approximately 3.3% of the aggregate number of issued and outstanding Common Shares). If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated options under the 2012 Stock Option Plan until the Corporation's 2019 annual shareholders meeting (provided that such meeting is held on or prior to February 5, 2019).

If approval is not obtained at the Meeting, options which have not been allocated as of February 5, 2016 and options which are outstanding as of February 5, 2016 and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue to be unaffected by the approval or disapproval of the resolution. The granting of options has been a successful strategy used by the Corporation to attract and retain qualified employees and the loss of this incentive element from the overall employee compensation arrangements would be significant.

Shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, the 2012 Stock Option Plan Resolution set out in Appendix 4 to this Circular (the "2012 Stock Option Plan Resolution"). To be effective, the 2012 Stock Option Plan Resolution must be passed by a simple majority of the votes cast thereon by the shareholders present in person or by proxy at the Meeting.

The Board recommends to the shareholders that they approve the 2012 Stock Option Plan Resolution. The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the 2012 Stock Option Plan Resolution unless a shareholder has specified in his or her proxy that his or her shares are to be voted against such resolution.

3. Adoption of Amended and Restated Employee Stock Purchase Plan

The Corporation adopted the Purchase Plan on December 10, 2002, which was approved by the shareholders on February 26, 2003. On November 10, 2015, the Board approved an amended and restate Purchase Plan (the "Amended Purchase Plan") that: (i) increases the aggregate number of Common Shares available for issuance under the Amended Purchase Plan from 500,000 to 750,000, (ii) provides more detailed guidance in respect of the effect of certain adjustments to the Corporation's share capital, (iii) delineates which types of amendments shall require shareholder approval, (iv) removes the limits on the total number of Common Shares that may be acquired by any one individual under the Plan or any one insider of the Corporation and the insider's associates and (v) implement other minor typographical changes. In accordance with the terms of the Purchase Plan and the rules of the TSX, such increase must be approved by the Corporation's shareholders.

An aggregate of 408,923 Common Shares have been issued under the Purchase Plan as of September 30, 2015 and there has been no change to this number as at December 3, 2015. As described above, the Amended Purchase Plan proposes to specify that upon the Common Shares being subdivided or consolidated into a greater or smaller number of shares or if, upon a reorganization, split-up, liquidation, recapitalization or the like of the Corporation, the Common Shares shall be exchanged for other securities of the Corporation, the rights of the participants shall be adjusted accordingly as would the aggregate number of Common Shares available for issuance under the Amended Purchase Plan. In addition, the Amended Purchase Plan also proposes to specify the circumstances in which the Board or committee must seek shareholder approval of amendments thereto as any of the following: (i) increase the number of Common Shares that may be issued under the Amended Purchase Plan; (ii) increase the percentage discounts set forth in the definition of purchase price; (iii) increase the maximum percentage of the base pay that any eligible participant may direct be contributed, pursuant to the Amended Purchase Plan, towards the purchase of Common Shares on his or her behalf through payroll deductions; (iv) change the eligible participants in a manner that would have the potential for broadening or increasing the insider participation in the Amended Purchase Plan; or (v) increase the limit on the total number of Common Shares that may be acquired by insiders of the Corporation or acquired by insiders within a one-year period. The Board or a committee has the discretion to make other amendments which it may deem necessary, without having to obtain shareholder approval, including but not limited to amendments of a housekeeping nature, amendments that change the eligible participants that do not have the potential for broadening or increasing the insider participation in the Amended Purchase Plan and decreases to the percentage discounts set forth in the definition of purchase price.

A copy of the complete Amended Purchase Plan is attached as Schedule "A" to Appendix 5 to this Circular. A copy is also available from the Corporate Secretary of the Corporation at its head office located at 340 Legget Drive, Suite 101, Ottawa, Ontario, Canada, K2K 1Y6.

Shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, the resolution relating to the Amended Purchase Plan set out in Appendix 5 to this Circular (the "Purchase Plan Resolution"). To be effective, the Purchase Plan Resolution must be passed by a simple majority of the votes cast thereon by the shareholders present in person or by proxy at the Meeting.

The Board recommends to the shareholders that they approve the Purchase Plan Resolution. The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the Purchase Plan Resolution unless a shareholder has specified in his or her proxy that his or her shares are to be voted against such resolution.

4. Reconfirmation of the Shareholder Rights Plan

Background
The Corporation adopted a shareholder rights plan agreement dated as of November 30, 2009 between the Corporation and CIBC Mellon Trust Company, which was succeeded by CST Trust Company (the "Shareholder Rights Plan"). The adoption of the Shareholder Rights Plan was initially approved by a majority vote of the shareholders of the Corporation at the annual and special meeting held on February 5, 2010 and subsequently reconfirmed by the shareholders on February 8, 2012.

Pursuant to its terms, the Shareholder Rights Plan must be reconfirmed and approved by a majority of the votes cast by all holders of Voting Shares (as defined in the Shareholder Rights Plan) of the Corporation who vote in respect of such reconfirmation at the third and sixth annual meetings following the special meeting at which the Shareholder Rights Plan was initially approved. The Shareholder Rights Plan will expire unless shareholders vote at the Meeting to continue its operation.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve, with or without amendment, a resolution to reconfirm the Shareholder Rights Plan in the same form as that approved on February 8, 2012 (the "Shareholder Rights Plan Resolution"). The Shareholder Rights Plan Resolution is set out in Appendix 6 to this Circular.

The Board has determined that the Shareholder Rights Plan is in the best interests of the Corporation and its shareholders and it unanimously recommends that the shareholders vote in favour of reconfirming the Shareholder Rights Plan Resolution. The persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the Shareholder Rights Plan Resolution unless a shareholder has specified in his proxy that his or her shares are to be voted against such resolution.

Purpose of the Shareholder Rights Plan

Many public companies in Canada have shareholder rights plans in effect. While securities legislation in Canada requires a take-over bid to be open for at least 35 days, the Board is concerned that this is too short a response time for companies that are subject to unsolicited take-over bids to ensure that shareholders are offered full and fair value for their Common Shares. The Shareholder Rights Plan is designed to give the Corporation's shareholders sufficient time to properly assess a take-over bid without undue pressure and to give the Board time to consider alternatives designed to allow the Corporation's shareholders to receive full and fair value for their Common Shares.

The Board is also concerned that current Canadian take-over bid rules permit an Acquiring Person to obtain control or effective control of the Corporation without treating all shareholders equally. The Shareholder Rights Plan is not intended to prevent a take-over bid or deter offers for Common Shares. It is designed to encourage any bidder to provide shareholders with equal treatment and full value for their Common Shares. The Shareholder Rights Plan was not adopted in response to, or in anticipation of, any pending or threatened take-over bid, nor to deter take-over bids generally. As of the date of this Circular, the Board was not aware of any third party considering or preparing any proposal to acquire control of the Corporation.

Summary of the Shareholder Rights Plan

The following is a summary of the principal terms of the Shareholder Rights Plan, which is qualified in its entirety by reference to the text of the Shareholder Rights Plan. A copy of the complete Shareholder Rights Plan and a related material change report dated November 30, 2009 were filed with the Canadian Securities Administrators and are available on SEDAR at www.sedar.com. Copies are also available from the Corporate Secretary of the Corporation at its head office located at 340 Legget Drive, Suite 101, Ottawa, Ontario, Canada, K2K 1Y6. All capitalized terms used in this summary without definition have the meanings attributed to them in the Shareholder Rights Plan.
Effective Date and Term

The Shareholder Rights Plan came into effect on November 30, 2009 and was confirmed by a majority vote of the shareholders of the Corporation at the annual and special meetings held on February 5, 2010 and February 8, 2012. If reconfirmed at the Meeting, the Shareholder Rights Plan will terminate at the end of the date of the Corporation's annual meeting of holders of Voting Shares held in the year ending September 30, 2018, unless reconfirmed once again by the shareholders and amended to provide for a new termination date.

Issuance of Rights

Immediately upon the Shareholder Rights Plan coming into effect, one Right was issued and attached to each Common Share outstanding and will attached to each Common Share subsequently issued.

Rights Exercise Privilege

The Rights will separate from the Common Shares and will be exercisable ten trading days (the "Separation Time") after a person has acquired 20% or more of, or commences or announces a take-over bid for, the Corporation's outstanding Common Shares, other than by an acquisition pursuant to a Permitted Bid or a Competing Permitted Bid. The acquisition by an Acquiring Person of 20% or more of the Common Shares is referred to as a "Flip-in Event". When a Flip-in Event occurs, each Right (except for Rights beneficially owned by an Acquiring Person or certain transferees of an Acquiring Person, which Rights will be void pursuant to the Shareholder Rights Plan Agreement) becomes a right to purchase from the Corporation, upon exercise thereof in accordance with the terms of the Shareholder Rights Plan, that number of Common Shares having an aggregate market price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be subject to adjustment in accordance with the Shareholder Rights Plan). The Exercise Price for the Rights provided for in the Shareholder Rights Plan is $200. As an example, if at the time of the Flip-in Event the Common Shares have a market price of $50, the holder of each Right would be entitled to receive $400 (twice the Exercise Price) in market value of the Common Shares (8 Common Shares) for $200, i.e. at a 50% discount.

The issuance of the Rights is not initially dilutive. However, upon a Flip-in Event occurring and the Rights separating from the Common Shares, reported earnings per share may be affected. Holders of Rights not exercising their Rights upon the occurrence of a Flip-in Event may suffer substantial dilution.

Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Any offer other than a Permitted Bid or a Competing Permitted Bid will become prohibitively expensive for the Acquiring Person. The Shareholder Rights Plan is therefore designed to require any person interested in acquiring more than 20% of the Common Shares to do so by way of a Permitted Bid or a Competing Permitted Bid or to make an offer which the Board considers to represent the full value of the Common Shares.

Certificates and Transferability

Prior to the Separation Time, the Rights will be evidenced by a legend imprinted on the Common Share certificates of the Corporation and will not be transferable separately from the Common Shares. Your Common Share certificates do not need to be exchanged to entitle you to these Rights. The legend will be on all new certificates issued by the Corporation after the Effective Date. From and after the Separation Time, the Rights will be evidenced by Rights certificates and will be transferable separately from the Common Shares.

Permitted Bid Requirements

The Permitted Bid requirements include the following:

(i) the take-over bid must be made by way of a take-over bid circular;

(ii) the take-over bid must be made to all holders of Common Shares;

(iii) the take-over bid must be outstanding for a minimum period of 60 days and Common Shares tendered pursuant to the take-over bid may not be taken up prior to the expiry of the 60 day period and only if at such time more than 50% of the Common Shares held by the shareholders, other than the bidder, its affiliates and persons acting jointly or in concert and certain other persons (the "Independent Shareholders"), have been tendered to the take-over bid and not withdrawn;

(iv) the Common Shares deposited pursuant to the bid may be withdrawn until taken up or paid for; and

(v) if more than 50% of the Common Shares held by Independent Shareholders are tendered pursuant to the take-over bid within the 60 day period, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Common Shares for an additional 10 business days from the date of such public announcement.

The Shareholder Rights Plan allows for a competing Permitted Bid (a "Competing Permitted Bid") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all of the requirements of a Permitted Bid except that no Common Shares will be taken up or paid for pursuant to the Competing Permitted Bid prior to the close of business on a date that is no earlier than the later of: (a) 35 days after the date of the Competing Permitted Bid; and (b) the 60th day after the earliest date on which any other Permitted Bid that is then in existence was made.

Waiver

The Board, acting in good faith, may, prior to the occurrence of a Flip-in Event, waive the application of the Shareholder Rights Plan to a particular Flip-in Event (an "Exempt Acquisition") where the take-over bid is made by a take-over bid circular to all holders of Common Shares. Where the Board exercises the waiver power for one take-over bid, the waiver will also apply to any other take-over bid for the Corporation made by a take-over bid circular to all holders of Common Shares prior to the expiry of any other bid for which the Shareholder Rights Plan has been waived.

Redemption

The Board, with the approval of the majority of votes cast by shareholders (or the holders of the Rights if the Separation Time has occurred) voting in person and by proxy, at a meeting duly called for that purpose, may redeem all of the then outstanding Rights at $0.00001 per Right as adjusted by the terms of the Shareholder Rights Plan. Rights may also be redeemed by the Board without such approval following completion of a Permitted Bid, Competing Permitted Bid or Exempt Bid.

Amendment

The Board may amend the Shareholder Rights Plan with the approval of a majority of votes cast by shareholders (or the holders of the Rights if the Separation Time has occurred) voting in person and by proxy at a meeting duly called for that purpose. The Board, without such approval, may correct clerical or typographical errors and, subject to the subsequent approval as noted above at the next meeting of the shareholders (or holders of Rights, as the case may be), may make amendments to the Shareholder Rights Plan to maintain its validity due to changes in applicable legislation.

Exemption for Investment Advisors

Investment advisors (for fully managed accounts), mutual funds and their managers, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds, administrators of registered pension plans and crown agents acquiring greater than 20% of the Common Shares are exempt from triggering a Flip-in Event, provided that they are not making, and are not part of a group making, a take-over bid.

OTHER MATTERS

Management knows of no other matters to come before the Meeting other than the matters referred to in the Notice of Meeting, however, if any other matters which are not now known to management should properly come before the Meeting, the Proxy will be voted upon such matters in accordance with the best judgment of the person voting the Proxy.

DEADLINE FOR SHAREHOLDER PROPOSALS

If any person entitled to vote at an annual meeting of the Corporation's shareholders wishes to propose any matter for consideration at the next annual meeting, in order for such proposal to be considered for inclusion in the materials mailed to shareholders in respect of such meeting, such proposal must be received by the Corporation no longer than 90 days before the anniversary date of this notice.

ADDITIONAL INFORMATION

Financial Information is provided in the Corporation's comparative financial statements and management discussion and analysis for its most recently completed financial year. Copies of the Corporation's financial statements and management discussion and analysis can be requested by contacting Investor Relations at IR@calian.com or by calling 1-613-599-8600.

Additional information relating to the Corporation can also be found on SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

The undersigned hereby certifies that the directors of the Corporation have approved the contents and the sending of this Circular.

DATED: December 3, 2015

Jacqueline Gauthier

Jacqueline Gauthier, Secretary
CALIAN Technologies Ltd.
Ottawa, Ontario

APPENDIX 1

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

1. Board of Directors	
(a) Disclose the identity of directors who are independent.	Kenneth Loeb, David Tkachuk, Richard Vickers and George Weber are independent directors.
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	Ray Basler is not independent because he was the President and Chief Executive Officer of the Corporation until March 31, 2015 and Kevin Ford is not independent as he is currently the President and Chief Executive Officer of the Corporation.
(c) Disclose whether or not a majority of directors are independent.	The Board is currently comprised of six members, four of whom are independent directors.
(d) Identify any director who is presently a director of any other issuer that is a reporting issuer (or the equivalent) in an jurisdiction or a foreign jurisdiction and identify that issuer.	None of the members of the Board are directors of any other reporting issuer (or the equivalent).
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year.	At each of its quarterly meetings, the Board meets without management present. In addition, at each of its quarterly meetings, a meeting comprised of only independent Board members is also held. During fiscal 2015, independent Board members met four times without management present.
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.	The chair of the Board, Kenneth Loeb, is an independent member of the Board.
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	For the 12-month period ended September 30, 2015 the Board of Directors met five times, the Audit Committee met four times, the Compensation Committee met three times, the Governance Committee met twice and the Nominating committee met once. Compensation and governance issues are also discussed during the quarterly Board meetings with all of the Board members present. All of the directors were present at all Board and committee meetings either by phone or in person.
2. Board Mandate	
Disclose the text of the board's written mandate.	The text of the Board's written mandate and those of its committees are set out in Appendix 2 to this Circular.

3. Position Descriptions	
(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.	As part of the Board's mandate, the Board has developed a position description for the Chairman of the Board. The Board has not developed position descriptions for the Chairs of the Audit Committee, the Compensation Committee, the Nominating Committee and the Governance Committee, however, the Board has developed a mandate for each of these committees and, as such, the Chair of each committee is responsible to ensure that such mandates are followed.

(b) Disclose whether or not the board and CEO have developed a written position description for the CEO.	The Board has developed a position description for the Chief Executive Officer. In addition, the Board annually approves the strategic and operational plans, business objectives and key results for which the Chief Executive Officer is responsible.
4. Orientation and Continuing Education	
(a) Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business	The Board does not have a formal process of orienting new members of the Board. However, an informal orientation occurs at the first Board meeting following the election of new directors. It is the responsibility of the Chairman of the Board to monitor the existing process in order to determine if a more formal orientation and education process is warranted.
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors	The Board has not developed a formal continuing education program. The Corporation's Corporate Secretary provides regular updates to the Board on new developments in corporate governance. Information on seminars and conferences are also passed along to directors but attendance at such events is not mandatory. Cost of attendance to seminars and conferences are paid by the Corporation.
5. Ethical Business Conduct	
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	The Board has adopted a written Guide to Ethical Business Practices (the "Guide"). In particular: (i) The Guide is available on the Corporation's website and explains the mechanisms in place to report departures from the Guide. (ii) The Guide provides for a reporting mechanism to the Board. In addition, all of the Corporation's employees who do not work directly at a customer's premises must certify annually that they have read, understand and agree to comply with the Guide. (iii) There has been no material change report filed that pertains to any conduct of a director or an executive officer that constitutes a departure from the Guide.

(b) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.	The Board has adopted a policy on related party transactions which does not allow for any transactions to occur between the Corporation and a third party who has direct or indirect ties with the directors, officers or employees of the Corporation.
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The Board believes the Guide is sufficient to encourage and promote a culture of ethical business conduct.
6. Nomination of Directors	
(a) Describe the process by which the board identifies new candidates for board nomination.	The Nominating Committee mandate is set out in Appendix 2 to this Circular.
(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.	The Nominating Committee is composed of Kenneth Loeb, George Weber and Rich Vickers, each of whom is an independent director.
7. Compensation	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers	The Compensation Committee is tasked with (i) reviewing and studying compensation and compensation policies for the Corporation, including the level of compensation paid to the Chief Executive Officer, and reporting on such matters to the Board; (ii) reviewing the goals and objectives of the Chief Executive Officer at the beginning of each year and providing an appraisal of the Chief Executive Officer's performance for the most recently completed year; and (iii) reviewing the performance of the senior officers of the Corporation including the level of short-term and long-term incentives awarded to each. The compensation for all remaining executives (except for that contractually provided for) is determined by the Chief Executive Officer. The Board has adopted a pay for performance philosophy and executive compensation program whereby executives receive compensation based upon the market value of the type of job they perform and their level of individual performance. The Corporation's policy with respect to the compensation of Named Executive Officers (NEOs) specifically is to: • Seek to align management's interest with shareholder interest through both short and long-term incentives linking compensation to performance. The short-term incentive is in the form of cash incentives while the longer term incentive is in the form of stock options which creates a direct correlation between variations in the Corporation's stock price and the compensation of NEO.

(a) Describe the process by which the board determines the compensation for the issuer's directors and officers (continued)	• Ensure that overall compensation for NEOs is not only internally equitable, but also competitive in today's market based on experience and length of service with the Corporation in order to attract, retain and motivate individuals with the qualifications and commitment needed to enhance shareholder value and maintain the Corporation's competitiveness in its market segment. Base salaries are determined on the basis of outside market data as well as individual performance and experience level. The annual bonus paid to each of the Chief Executive Officer and the Chief Financial Officer is based on the overall financial profitability of the Corporation. Annual bonuses are also paid to the senior managers of the Corporation based on a percentage of divisional profitability and individual performance. Certain members of the executive team are primarily responsible for the financial performance of a specific division. During the year ended September 30, 2015, Mr. Patrick Thera was responsible for the performance of the Corporation's Systems Engineering division, and Mr. Kevin Ford, in addition to his responsibilities as CEO effective April 1, 2015, continued to be responsible for the performance of the Corporation's Business and Technology Services division. To date no specific formulas have been developed to assign a specific weighting to the elements of compensation used by the Corporation. In establishing levels of compensation and granting stock options, the Board of Directors considers the executive's performance, level of expertise, responsibilities and length of service to the Corporation. To date, a benchmarking exercise has not yet been undertaken in respect of compensation of Named Executive Officers. During fiscal 2015, the annual base salary for the Chief Executive Officer and the annual bonuses for the Chief Executive Officer, the Chief Financial Officer and the VP General Manager of the SED division were submitted to the Compensation Committee and to the Board for their review and approval. For the fiscal 2016 period, the Corporation expects that any changes to the base salary of the Chief Executive Officer and annual bonuses for the named executive officers will continue to be submitted to the Compensation Committee and to the Board for review and approval. The Compensation Committee is responsible to review the Directors' compensation in relation to current norms and recommend changes to the Board. Stock option grants to employees and directors must be approved by the Board.

(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors.	The Compensation Committee is composed of Mr. David Tkachuk (Chairman), Richard Vickers, Kenneth Loeb and George Weber, each of whom is an independent director.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The mandate of the Compensation Committee is attached at Appendix 2 to this Circular.
(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	During fiscal 2015, the Board did not retain any compensation consultant.
8. Other Board Committees	
If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board has a Governance Committee, the mandate of which committee is attached at Appendix 2 to this Circular.
9. Assessments	
Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	The Chairman of the Board has the ongoing responsibility of assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors. Evaluation criteria include such factors as the attendance record of individual Board members and the effectiveness of their participation at Board meetings. The Governance Committee of the Board will review the mechanisms to promote an appropriate level of Board renewal and perform an annual assessment of the effectiveness, contribution, competencies and skills of the individual directors and the Board as a whole with a view to identifying any gaps in skills and competencies considered most relevant for board renewal considerations.
10. Director Term Limits and Other Mechanisms of Board Renewal	
Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.	The Corporation has not adopted term limits for the directors. The Corporation believes that having long-standing directors on its Board does not negatively impact board effectiveness, but instead contributes to boardroom dynamics that have resulted in a consistently high-performing Board. Any director who turns 75 year of age prior to the next annual

	shareholders meeting must submit his or her resignation to the Chairman of the Board. The Chairman, with input of the other board members, will evaluate whether to accept the resignation having regard of the needs of the Board and the particular circumstances of the Corporation at that time. If the resignation is not accepted, the situation will be re-evaluated annually. If the resignation is accepted, it shall take effect the day before the annual meeting of shareholders. The Governance Committee of the Board must also review annually the size and composition of the Board, and mechanisms to promote an appropriate level of board renewal, as well as perform the annual assessments described under the heading “9. Assessments”.
11. Policies Regarding the Representation of Women on the Board	
(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so. (b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented, (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.	On August 5, 2015, the Board adopted a Board Diversity and Term Limits Policy relating in part to the promotion of diversity, and ensuring that its recruitment process will consider all individuals all individuals from diverse backgrounds, regardless of gender, age, ethnicity, Aboriginal heritage, geography, political affiliation and persons with disabilities. Under the policy, the Governance and Nominating Committees shall consider diversity of the Board, including the level of female representation. The policy must be reviewed and approved by the Board annually.
12. Consideration of the Representation of Women in the Director Identification and Selection Process	
Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer’s reasons for not doing so.	As stated above, under the Board Diversity and Term Limits Policy, the Governance and Nominating Committees shall consider diversity of the Board, including the level of female representation.

13. Consideration Given to the Representation of Women in Executive Officer Appointments	
Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.	In identifying and considering potential candidates for executive appointments, the Corporation seeks the most qualified persons, regardless of gender or other characteristics unrelated to expertise and performance. Therefore, the corporation looks first to individuals within the Corporation and its subsidiaries and considers diversity, but more so, factors such as years of service, regional background, merit, experience and qualification.
14. Consideration of the Representation of Women in the Director Identification and Selection Process	
(a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date. (b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so. (c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so. (d) If the issuer has adopted a target referred to in either (b) or (c), disclose: (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target	The Board does not set specific gender representation targets when identifying potential candidates to the board or executive officer positions. The Corporation believes that diversity is appropriately considered as part of its hiring and nomination process and that a numerical target would not afford the Corporation the flexibility to select the best possible candidates based on a range of factors.
15. Number of Women on the Board and in Executive Officer Positions	
(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women. (b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.	The Board does not currently have any women directors. The Corporation currently has one woman executive officer, representing 33% of the Corporation's executive officers.

APPENDIX 2
CALIAN TECHNOLOGIES LTD.
MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (Board) has the overall responsibility for the stewardship of the Corporation. As such, the Board delegates to management some of its authority and certain responsibilities to manage the business of the Corporation. The delegation of authority conforms to statutory limitations and certain responsibilities cannot be delegated to management and remain with the Board. The Calian Board of Directors has a Chairman, a Corporate Governance Committee, a Nominating Committee, a Compensation Committee and an Audit Committee.

The primary objective of the Board is to make sure that management is thinking and acting in a manner that reflects our core values of 1) adding value, 2) thinking long-term and 3) being honest, transparent and prudent in all business activities.

This document is intended to provide the Directors, Management and interested investors insight into the Board process that affects the Corporation.

1. GENERAL PROCEDURES

1.1 The Board shall be composed of a minimum of 5 directors, with the majority being independent directors.

1.2 The Board shall meet on a quarterly basis. Each quarterly meeting will include the following sessions:

- Informal board dinner with board members and senior management present;
- Independent Directors meeting;
- Board meeting with management present;
- Board meeting without management present.

1.3 Special meetings shall be held at the call of the Chairman or upon the request of two members of the Board.

1.4 A quorum shall be a majority of the members.

1.5 Unless the Board otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.

1.6 A copy of the minutes of each meeting of the Board of Directors shall be provided to each director in a timely fashion.

1.7 Board meeting agendas shall be the responsibility of the Chairman of the Board.

1.8 The Board shall communicate its expectations to management with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management at least five (5) days in advance of meeting dates.

1.9 To assist the Board in discharging its responsibilities, the Board may retain at the expense of the Corporation, one or more persons having special expertise.

2. Specific Responsibilities and Duties

2.1 Strategic Planning and Annual Operational Plans

2.1.1 Review and approve the strategic plan and monitor the implementation of the strategic plan by management;

2.1.2 Review and approve the financial goals of the Corporation;

2.1.3 Review and Approve the annual operating plan and budget of the Corporation;

2.1.4 Review and approve major business decisions and transactions not in the ordinary course of business such as acquisitions, divestitures and capital transactions.

2.2 Risk Management

2.2.1 Review the processes utilized by management with respect to risk assessment and risk management and the identification by management of the principal risks of the business of the Corporation including financial risks;

2.2.2 Review the implementation by management of appropriate systems to manage business and financial risks;

2.2.3 Review the processes to ensure respect for and compliance with applicable regulatory, corporate, securities, environmental, health and safety and other legal requirements.

2.3 Succession Planning and Senior Officers Performance

2.3.1 Choose the Chief Executive officer and approve the appointment of Senior Officers;

2.3.2 Review and approve the corporate objectives that the Chief Executive Officer is responsible for meeting

2.3.3 Assess the performance of the Chief Executive Officer in relation to such objectives;

2.3.4 Establish the compensation for the Chief Executive Officer;

2.3.5 Assess and oversee the succession plan for Senior Officers;

2.3.6 Ensure that processes are in place for the recruitment, training, development and retention of executives who exhibit high-standards of integrity and competence;

2.4 Internal Controls

2.4.1 Oversee the establishment by management of an adequate system of internal controls and procedures and assess its effectiveness;

2.4.2 Oversee the reliability and integrity of accounting and disclosure principles and practices followed by management;

2.4.3 Approve the Annual Financial Statements, Management Discussion and Analysis and other statutory filings such as the AIF, Management Proxy Circular and Annual Report.

2.4.4 Approve the Interim Financial Statements and Management Discussion and Analysis.

2.5 Communication and Public Disclosure

2.5.1 Adopt communication policies and monitor the Corporation's investor relations program;

2.5.2 Oversee the establishment of processes for accurate, timely and full public disclosure.

2.6 Governance

2.6.1 Establish appropriate structures and procedures to allow the Board to function independently of management;

2.6.2 Evaluate the size and composition of the Board and establish Board committees. Define the committees mandates to assist the Board in carrying out its responsibilities;

2.6.3 Review periodically the Corporation's Guide to Ethical Business Practices;

2.6.4 Annually review and assess the adequacy of the Board's mandate and evaluate its effectiveness in fulfilling its responsibilities;

2.6.5 Review shareholder proposals and determine appropriate course of action.

ROLE OF THE CHAIRMAN

The Chairman has primary responsibility for the Corporation's strategic direction. The Chairman, along with the CEO, will ensure that the Corporation's management and employees conduct their business with honesty and integrity with a view to creating sustainable, long term value and profitable growth. Along with the Board of Directors, the Chairman assumes responsibility for the stewardship of the Corporation. The Chairman manages the affairs of the Board, ensuring that the Board is organized properly, functions effectively, operates independently from management, and meets its obligations and responsibilities relating to corporate governance matters.

Specific Responsibilities

1.1 Provide leadership to the Board in reviewing and deciding upon matters that exert major influence on the manner in which the Corporation's business is conducted, such as corporate strategic planning, policy formulation, and mergers and acquisitions;

1.2 Provide liaison between the Board and management of the Corporation;

1.3 Provide overall leadership to enhance the effectiveness of the Board. Chair meetings of the Board and attend committee meetings as appropriate;

1.4 In collaboration with the Nominating Committee support the director recruitment process and recommend to the Board of Directors nominees for election to the Board;

1.5 Support the orientation of new and the continued education of incumbent directors;

1.6 Periodically review the performance of Directors and the effectiveness of the Board and each of its committees;

CALIAN TECHNOLOGIES LTD.
MANDATE OF THE CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee (The Committee) will assist the Board of Directors in fulfilling its oversight responsibilities in relation to the corporate governance practices and policies of the Corporation.

1. GENERAL PROCEDURES

1.1 The Committee shall be composed of a minimum of 3 directors, with the majority being independent directors.

1.2 The Committee shall meet periodically as circumstances dictate. Meetings shall be held at the call of the Chairman or upon the request of two members of the Board. The Committee shall report to the Board of Directors periodically on the Committee's activities.

1.3 A quorum shall be a majority of the members.

1.4 Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as Secretary of all meetings of the Committee.

1.5 In the absence of the Chairman of the Committee, the Chairman shall chair the meeting.

1.6 A copy of the minutes of each meeting of the Committee shall be provided to each director in a timely fashion.

1.7 Committee meeting agendas shall be the responsibility of the Chairman of the Committee.

1.8 To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise.

1.9 The Committee shall review its performance and mandate on an annual basis.

2. Specific Responsibilities and Duties

2.1 Establish appropriate structures and procedures to allow the Board to function independently of management;

2.2 Evaluate the size and composition of the Board and establish Board committees. Define the committees mandates to assist the Board in carrying out its responsibilities;

2.3 Annually review and assess the adequacy of the Board's mandate and evaluate its effectiveness in fulfilling its responsibilities;

2.4 Monitor best practices and ensure compliance with all legal requirements relating to corporate governance. Develop and recommend to the Board of Directors a set of corporate governance guidelines including the Board of Directors' mandate in accordance with applicable laws and regulations. Review such guidelines periodically and recommend changes as deemed necessary;

2.5 Review and assess the adequacy of the Corporation's Disclosure Policy, Insider Trading Policy, Guide to Ethical Business Practices and other related policies and guidelines, as deemed appropriate.

CALIAN TECHNOLOGIES LTD.
MANDATE OF THE NOMINATING COMMITTEE

The Nominating Committee (The Committee) will be responsible for identifying individuals qualified to become new Board members and recommending to the Board of directors nominees for each annual meeting of the shareholders of the Corporation.

1. GENERAL PROCEDURES

1.1 The Committee shall be composed of a minimum of 3 directors, all being independent directors.

1.2 The Committee shall meet periodically as circumstances dictate. Meetings shall be held at the call of the Chairman or upon the request of two members of the Board. The Committee shall report to the Board of Directors periodically on the Committee's activities.

1.3 A quorum shall be a majority of the members.

1.4 A copy of the minutes of each meeting of the Committee shall be provided to each director in a timely fashion.

1.5 Committee meeting agendas shall be the responsibility of the Chairman of the Committee.

1.6 To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise.

1.7 The Committee shall review its performance and mandate on an annual basis.

2. Specific Responsibilities and Duties

2.1 Review periodically the size and composition of the Board to ensure that the Board has the appropriate mix of competencies and skills to facilitate effective decision making as well as the capacity to effectively discharge its responsibilities;

2.2 Review from time to time the retirement plans of directors;

2.3 Develop plans for the orderly succession of directors to keep the Board appropriately balanced in terms of skills and experience;

2.4 Recommend to the Board addition or replacement of one or more directors as may be considered necessary or appropriate from time to time;

2.5 Be satisfied that the Corporation has effective plans for the orientation of new directors and the continued education of incumbent directors

CALIAN TECHNOLOGIES LTD.
MANDATE OF THE COMPENSATION COMMITTEE

The purpose of the Compensation Committee (The Committee) is to review and establish the compensation of Senior Executive of the Corporation.

1. General Procedures

1.1 The Committee shall be composed of a minimum of 3 independent directors;

1.2 The Committee shall meet at least annually to discuss compensation arrangements for the Corporation's Senior Executives;

1.3 A quorum shall be a majority of the members;

1.4 To assist the Committee in discharging its responsibilities, the Committee may retain at the expense of the Corporation, one or more persons having special expertise;

2. Specific Responsibilities and Duties

2.1 Establish the Corporation's general compensation philosophy, and oversee the development and implementation of compensation programs;

2.2 Review and Approve the corporate objectives that the Chief Executive Officer is responsible for meeting, assess the performance of the Chief Executive Officer in relation to such objectives and establish the compensation for the Chief Executive Officer;

2.3 Review and approve compensation programs applicable to the Senior Executives of the Corporation;

2.4 Review and approve severance or similar termination payments proposed to be made to any current or former Senior Executives of the Corporation;

2.5 Oversee the development and implementation of the succession plan for Senior Executives.

2.6 Oversee the processes for the recruitment, training, development and retention of executives who exhibit high-standards of integrity and competence.

2.7 Review the Directors' compensation in relation to current norms and recommend changes to the Board of Directors;

APPENDIX 3
FORM OF NAME CHANGE RESOLUTION

"BE IT RESOLVED, as a special resolution of the shareholders of Calian Technologies Ltd. (the "Corporation"), that:

1. Conditional upon receiving any required regulatory approvals, that the articles of the Corporation be amended to change the Corporation's name from "Calian Technologies Ltd." to "Calian Group Ltd.", or such other name as the Board deems appropriate, in its sole discretion;

2. Any one or more directors or officers of the Corporation are hereby authorized, for and on behalf of the Corporation, to execute and deliver articles of amendment and/or all other documents and do all such other acts or things as such person may determine to be necessary or advisable to give effect to this resolution, such determination to be conclusively evidenced by the taking of any such action or such director's or officer's execution and delivery of any such document; and

3. Notwithstanding that this resolution has been duly passed by the shareholders, the directors of the Corporation be, and they are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this special resolution and/or to postpone or terminate the name change at any time prior to the filing of the articles of amendment."

APPENDIX 4
FORM OF STOCK OPTION PLAN RESOLUTION

“BE IT RESOLVED, as an ordinary resolution of the shareholders of Calian Technologies Ltd. (the “Corporation”), that:

1. The Calian Technologies Ltd. 2012 Stock Option Plan (the “Plan”) and the unallocated options thereunder be and are hereby approved;

2. The Plan shall be re-submitted for approval by the shareholders of the Corporation no later than February 5, 2019, being the date that is three years from the date that this ordinary resolution was adopted;

3. Any one or more directors or officers of the Corporation are hereby authorized, for and on behalf of the Corporation, to execute and deliver all such documents and do all such other acts or things as such person may determine to be necessary or advisable to give effect to this resolution, such determination to be conclusively evidenced by the taking of any such action or such director’s or officer’s execution and delivery of any such document; and

4. Notwithstanding that this resolution has been duly passed by the shareholders, the directors of the Corporation be, and they are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this ordinary resolution.”

APPENDIX 5
FORM OF PURCHASE PLAN RESOLUTION

“BE IT RESOLVED, as an ordinary resolution of the shareholders of Calian Technologies Ltd. (the “Corporation”), that:

1. The Calian Technologies Ltd. Amended and Restated Employee Stock Purchase Plan, in the form set out as Schedule “A” hereto, be and is hereby approved;

2. Any one or more directors or officers of the Corporation are hereby authorized, for and on behalf of the Corporation, to execute and deliver all such documents and do all such other acts or things as such person may determine to be necessary or advisable to give effect to this resolution, such determination to be conclusively evidenced by the taking of any such action or such director’s or officer’s execution and delivery of any such document; and

3. Notwithstanding that this resolution has been duly passed by the shareholders, the directors of the Corporation be, and they are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this ordinary resolution.”

SCHEDULE "A"
CALIAN TECHNOLOGIES LTD.
AMENDED AND RESTATED EMPLOYEE STOCK PURCHASE PLAN

PLAN DESCRIPTION

The Calian Technologies Ltd. Amended and Restated Employee Stock Purchase Plan is intended to promote the interests of Calian Technologies Ltd. (the "Company") and its subsidiaries by providing eligible employees and directors an opportunity to acquire a proprietary interest in the Company through participation in a stock purchase plan.

ARTICLE 1
DEFINITIONS

1.1 Definitions.

(a) **"Associate"** has the meaning assigned by the *Securities Act* (Ontario), as amended from time to time.

(b) **"Base Pay"** means, for each Eligible Participant who is an Employee, the regular compensation and commissions earned during each payroll period including any bonuses, before any deductions or withholding, but excluding overtime pay, any amounts paid as reimbursements of expenses and other additional compensation, under rules uniformly applied by the Committee and, for each Eligible Participant who is a Director, all amounts paid to such Eligible Participant before any deductions or withholding, but excluding any amounts paid as reimbursements of expenses.

(c) **"Board of Directors"** means the board of directors of the Company.

(d) **"Business Day"** means any day which is a trading day on the Exchange.

(e) **"Commitment Date"** means, with respect to any given Eligible Participant, the first Business Day of each Offering Period.

(f) **"Committee"** means the appropriate compensation or other committee appointed by the Board of Directors to administer the Plan. All references in the Plan to the Committee means the Board of Directors if no Committee has been appointed.

(g) **"Common Shares"** means common shares in the capital of the Company.

(h) **"Director"** means a director of the Company or any of its subsidiaries.

(i) **"Eligible Participant"** means an Employee or a Director who is eligible to participate in the Plan pursuant to Section 3.

(j) **"Employee"** means any employee of the Company or any of its subsidiaries.

(k) **"Exchange"** means The Toronto Stock Exchange.

(l) **"Fair Market Value"** per Common Share at any date shall be the lower of (a) the weighted average sale price for board lots of Common Shares on the Exchange on the ten trading days immediately preceding the Commitment Date or (b) the weighted average sale price for board lots of Common Shares on the Exchange on the ten trading days immediately preceding the most recent press release of quarterly financial results for the Company's first fiscal quarter in respect of the February Offering Period and for the Company's third fiscal quarter in respect of the August Offering Period.

(m) **"Insider"** means:

(i) an insider of the Company as defined by the *Securities Act* (Ontario) as amended from time to time, other than a person who falls within such definition solely by virtue of being a director or senior officer of a subsidiary of the Company; and

(ii) an Associate of any person who is an insider by virtue of clause (i) of this definition.

(n) **"Lump Sum Payment"** has the meaning ascribed thereto in sub-section 4(c) hereof.

(o) **"Offering Period"** means either of the following:

(i) the one year period commencing on February 1 of each year and ending on January 31 of the subsequent year (the "**February Offering Period**"); or

(ii) the six month period commencing on August 1 of each year and ending on January 31 of the subsequent year (the "**August Offering Period**").

(p) **"Outstanding Issue"** means the number of Common Shares that are outstanding immediately prior to any issuance of Common Shares issued pursuant to the Plan during the particular one-year period.

(q) **"Plan"** means the Calian Technologies Ltd. Amended and Restated Employee Stock Purchase Plan.

(r) **"Plan Account"** means for each Eligible Participant who is an Employee, an account maintained by the Company or its designated record keeper to which such Eligible Participant's payroll deductions are credited and, for each Eligible Participant who is a Director an account maintained by the Company or its designated record keeper to which such Eligible Participant's Lump Sum Payments are credited and, in each case, against which funds used to purchase Common Shares are charged and to which Common Shares purchased are credited.

(s) **"Purchase Date"** means January 31 in any Offering Period or, with respect to any Common Shares purchased pursuant to sub-section 4(c) hereof, any date following August 1.

(t) **"Purchase Price"** means:

(i) with respect to any Common Shares to be purchased in a February Offering Period, 90% of the Fair Market Value of such Common Shares on February 1 of such Offering Period, provided, however, that where such Common Shares are actually purchased on the January 31 of such February Offering Period without any changes made pursuant to sections 6 or 7 hereof or otherwise, the Purchase Price of such Common Shares shall be 80% of the Fair Market Value of such Common Shares on February 1 of such Offering Period; and

(ii) with respect to any Common Shares to be purchased in an August Offering Period, 95% of the Fair Market Value of such Common Shares on August 1 of such Offering Period, provided, however, that where such Common Shares are actually purchased on the January 31 of such August Offering Period without any changes made pursuant to sections 6 or 7 hereof or otherwise, the Purchase Price of such Common Shares shall be 90% of the Fair Market Value of such Common Shares on August 1 of such Offering Period.

2. Shares Subject to the Plan. Subject to Section 12, the aggregate number of Common Shares which may be sold under the Plan is 750,000. No fractional shares may be purchased or issued hereunder. The following restrictions shall also apply to this Plan as well as the Calian Technologies Ltd. Stock Option Plan and all other plans or stock option agreements to which the Company may be a party:

(i) the aggregate number of Common Shares which are reserved for issuance pursuant to options granted to Insiders shall not exceed 10% of the Outstanding Issue; and

(ii) Insiders shall not be issued, within any one-year period, a number of Common Shares which exceeds 10% of the Outstanding Issue.

3. Eligible Participants. Each Employee or Director (an "Eligible Participant") of the Company or any of its subsidiaries who has provided services to the Company or any of its subsidiaries for at least 3 months and who is continuing to provide such services to the Company or any of its subsidiaries may participate in the Plan. The Committee may exclude all, but not less than all, of the Employees of any subsidiary of the Company located outside of Canada where participation by such Employees would be impractical.

4. Offering Periods; Participation in the Plan.

(a) Common Shares shall be offered for purchase under the Plan through a series of successive Offering Periods until such time as: (i) the maximum number of Common Shares available for purchase under the Plan shall have been purchased; or (ii) the Plan shall have been sooner terminated.

(b) An Eligible Participant who is an Employee may participate in the Plan by completing and filing prior to the tenth day of an Offering Period with the Company or its designated record keeper a subscription agreement and an election form which authorizes payroll deductions from such Eligible Employee's pay for the purposes of acquiring Common Shares. Such deductions shall commence on the first day of the applicable Offering Period following the receipt by the Company of the election form. Such deductions shall continue until such Eligible Employee terminates participation in the Plan or the Plan is terminated.

(c) Further to the provisions contained in sub-section 4(b) hereof, an Eligible Participant who is a Director or who is an Employee to whom the Company has agreed or is obligated to make a lump sum payment of salary owing to such Employee, may participate in the Plan by completing and filing with the Company or its designated record keeper prior to the tenth day of the February Offering Period only, a subscription agreement and, where such Eligible Participant is a Director, payment for such Common Shares in immediately available funds in a form acceptable to the Corporation or, where such Eligible Participant is an Employee, an election form authorizing that full payment for such Common Shares be made from one payroll deduction from such Employee's pay. Such payment (a "**Lump Sum Payment**") shall be made on the first day of the applicable Offering Period following the receipt by the Company of the election form.

(d) Notwithstanding the foregoing, an Eligible Participant shall not be entitled to purchase Common Shares under this Plan on any Commitment Date if the purchase would not comply with the restrictions respecting the issuance/sale of Common Shares set forth in Section 2.

5. Payment of Purchase Price. Payroll deductions shall be made from the amounts paid to each Eligible Participant who are Employees for each payroll period in such amounts as such Eligible Participant shall authorize in such Eligible Participant's election form except in the case of a Lump Sum Payment with respect to which, any payment or payroll deduction shall be made in the full amount of the Common Shares to be purchased pursuant to such Lump Sum Payment. The maximum payroll deduction shall be 5% of the Eligible Participant's Base Pay provided, however, that in the case of an Eligible Participant who is a Director, the Purchase Price for any Common Shares purchasable under the Plan shall be 5% of such Eligible Participant's Base Pay in the 12 months immediately preceding such Offering Period. If an Eligible Participant's Base Pay is insufficient in any pay period to allow the entire payroll deduction elected under the Plan, no deduction shall be made for such pay period. Payroll deductions will resume with the net pay period in which the Eligible Participant has pay sufficient to permit the deduction. Payroll deductions under the Plan shall be made in any period only after all other withholdings, deductions, garnishments and the like have been made.

6. Changes in Payment. Subject to the minimum and maximum deductions set forth above, an Eligible Participant who is an Employee may change the amount of such Eligible Participant's payroll deductions by filing a new election form with the Company or its designated record keeper during the first ten days of an Offering Period, which change shall be effective for such Offering Period.

7. Termination of Participation in Plan. An Eligible Participant may, at any time and for any reason, voluntarily terminate participation in the Plan by written notification of withdrawal delivered to the appropriate payroll office at least 10 Business Days before the next pay period. An Eligible Participant's participation in the Plan shall be terminated upon termination of, where such Eligible Participant is an Employee, the termination of such Eligible Employee's employment with the Company for any reason or, where such Eligible Participant is a Director, when such Eligible Participant resigns or does not stand for re-election to the Board of Directors. In the event that an Eligible Participant's participation in the Plan is voluntarily or involuntarily terminated, payroll deductions under the Plan shall cease; provided, however, that any payments credited to such Eligible Participant's Plan Account shall be used to purchase Common Shares on the next Purchase Date. For greater clarity, a temporary leave of absence (whether with or without pay) of an Eligible Participant from employment with the Company (a "Leave of Absence") shall not be treated as terminating such Eligible Participant's participation in the any Offering Period, provided, however, that in the event of any Leave of Absence of an Eligible Participant without pay, such Eligible Participant's payroll deductions under the Plan, if any, shall be suspended for the duration of such Leave of Absence, provided further, however, that any such suspension of payroll deduction shall not be deemed to be a change made pursuant to sections 6 or 7 hereof for the determination of the amount of the Purchase Price related to any Common Shares to be purchased in an Offering Period.

8. Purchase of Shares.

(a) On each Purchase Date, the Company shall apply the funds credited to each Eligible Participant's Plan Account to the purchase (without commissions or fees) of that number of whole Common Shares determined by dividing the Purchase Price into the balance in such Eligible Participant's Plan Account on the Purchase Date. Any amount remaining shall be carried forward to the next Offering Period unless the Plan Account is closed.

(b) Notwithstanding the generality of the foregoing sub-section 8(a), an Eligible Participant who has elected to make a Lump Sum Payment may, upon not less than ten (10) days' notice to the Company, request that the Common Shares to be purchased pursuant to such Lump Sum Payment be delivered to such Eligible Participant and the Company apply such Lump Sum Payment to such Eligible Participant's Plan Account prior to a Purchase Date and the Purchase Date with respect to such Common Shares shall be deemed to be the date at which such Eligible Participant has requested that such Common Shares be delivered, provided, however, that in no event shall any such Common Shares be delivered to such an Eligible Participant prior to August 1 in any given February Offering Period and provided further, however, that in the event that such an Eligible Participant provides such notice to the Company, notwithstanding the provisions of paragraph 1.1(u) hereof, the Purchase Price for any such Common Shares shall not be less than 90% of the Fair Market Value of the Common Shares on such date.

(c) As soon as practicable after each Purchase Date, a statement shall be delivered to each Eligible Participant which shall include the number of Common Shares purchased on the Purchase Date on behalf of such Eligible Participant under the Plan.

(d) When requested, a stock certificate for whole Common Shares in an Eligible Participant's Plan Account purchased pursuant to the Plan shall be issued in such Eligible Participant's name or in the name of such Eligible Participant and another person as joint tenants with rights of survivorship or as tenants in common. When an Eligible Participant's ceases to be an Eligible Participant pursuant to the provisions of section 7 hereof, a share certificate for whole Common Shares in such Eligible Participant's Plan Account shall be issued in the name of such Eligible Participant or in the name of such Eligible Participant and the name of another person as joint tenants with right of survivorship or as tenants in common. A cash payment shall be made for any fraction of a share in such account, if necessary to close the account.

9. Rights as a Shareholder. As of the Purchase Date, an Eligible Participant shall be treated as record owner of such Eligible Participant's shares purchased pursuant to the Plan.

10. Rights Not Transferable. Rights under the Plan are not transferable by an Eligible Participant other than by will or the laws of succession, and are exercisable during an Eligible Participant's lifetime only by such Eligible Participant or by such Eligible Participant's guardian or legal representative. No rights or payroll deductions of an Eligible Participant shall be subject to execution, attachment, levy, garnishment or similar process.

11. Application of Funds. All funds of Eligible Participants received or held by the Company under the Plan before purchase of the Common Shares shall be held by the Company without liability for interest or other increment.

12. Adjustments in Case of Changes Affecting Shares. Upon the happening of any of the following described events, an Eligible Participant's Rights shall be adjusted as hereinafter provided. In the event that the Common Shares shall be subdivided or consolidated into a greater or smaller number of shares or if, upon a reorganization, split-up, liquidation, recapitalization or the like of the Company, the Common Shares shall be exchanged for other securities of the Company, each Eligible Participant shall be entitled, subject to the conditions herein stated, to purchase such number of Common Shares or amount of other securities of the Company as were exchangeable for the number of Common Shares that such Eligible Participant would have been entitled to purchase except for such action, and appropriate adjustments shall be made in the purchase price per share to reflect such subdivision, consolidated or exchange.

Upon the happening of any of the foregoing events, the class and aggregate number of Common Shares set forth in Section 2 hereof that have been or may be granted under the Plan shall also be appropriately adjusted to reflect the events specified in the above paragraph.

If the Committee or the Board determines that such change will constitute a change requiring shareholder approval, it may refrain from making such adjustments. The Committee or the Board shall determine the adjustments to be made under this Section 12, and its determination shall be conclusive.

13. Administration of the Plan. The Plan shall be administered by the Committee. The Committee shall have the authority to construe and interpret the provisions of the Plan and make rules and regulations for the administration of the Plan, and its interpretations and decisions with regard to the Plan and such rules and regulations shall be final and conclusive on all persons affected thereby unless otherwise determined by the Board of Directors. The day-to-day administration of the Plan may be delegated to such officers and employees of the Company or its subsidiaries as the Committee shall determine.

14. Amendments to the Plan. The Committee or the Board of Directors may from time to time, in its sole discretion, to alter, amend or discontinue the Plan; provided that, without the approval of the shareholders of the Company, no amendment may (i) increase the number of Common Shares that may be issued under the Plan; (ii) increase the percentage discounts set forth in the definition of Purchase Price; (iii) increase the maximum percentage of the Base Pay that any Eligible Participant may direct be contributed, pursuant to the Plan, towards the purchase of Common Shares on his or her behalf through payroll deductions; (iv) change the Eligible Participants in a manner that would have the potential for broadening or increasing the Insider participation in the

Plan; or (v) increase the limit on the total number of Common Shares that may be acquired by Insiders of the Company or acquired by Insiders within a one-year period. In addition, no such amendment or discontinuation, may, without the consent of the Eligible Participant, alter or impair an Eligible Participant's rights or increase an Eligible Participant's obligations under the Plan. Any modification or amendment to the Plan will be subject to the prior approval of the Exchange to the extent that the Common Shares are listed on the Exchange at the time of such proposed modification or amendment. For the avoidance of doubt, the Committee or the Board may not proceed with any amendment proscribed under the rules of the Exchange.

15. Termination of the Plan. The Plan shall terminate upon the earlier of (a) the termination of the Plan by the Board of Directors of the Company as specified below, or (b) the date no more shares remain to be purchased under the Plan. The Board of Directors of the Company may terminate the Plan as of any date, and the date of termination shall be deemed a Purchase Date. If on such Purchase Date Eligible Participants in the aggregate have options to purchase more Common Shares than are available for purchase under the Plan, each Eligible Participant shall be eligible to purchase a reduced number of Common Shares on a pro rata basis, and any excess payroll deductions shall be returned to Eligible Participants, all as provided by rules and regulations adopted by the Committee.

16. Costs. All costs and expenses incurred in administering the Plan shall be paid by the Company.

17. Governmental Regulations. The Company's obligations to sell and deliver its Common Shares pursuant to the Plan is subject to:

(a) the satisfaction of all requirements under applicable securities law in respect thereof and obtaining all regulatory approvals as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof, including shareholder approval, if required;

(b) the admission of such Common Shares to listing on any stock exchange on which Common Shares may then be listed; and

(c) the receipt from each Eligible Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities law of any jurisdiction.

In this connection, the Company shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with applicable securities law and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed.

18. Applicable Law. The plan is established under the laws of the Province of Ontario and the rights of all parties and the constructions and effect of each provision of the Plan shall be according to the laws of the Province of Ontario and the laws of Canada applicable therein.

19. Effect of Employment. The provisions of this Plan shall not affect the right of the Company or any subsidiary or any Eligible Participant to terminate such Eligible Participant's employment with the Company or any subsidiary.

20. Withholding. The Company reserves the right to withhold from stock or cash distributed to a Participant any amounts which it is required by law to withhold.

21. Sale of Company. In the event of a proposed sale of all or substantially all of the assets of the Company or a merger of the Company with or into another corporation, the Company shall require that each outstanding right hereunder be assumed or an equivalent right be substituted by the successor or purchaser corporation, unless the Plan is terminated.

22. Approvals. The Plan shall be subject to acceptance by the Exchange in compliance with all conditions imposed by the Exchange. Any rights to purchase Common Shares granted prior to such acceptance shall be conditional upon such acceptance being given and any conditions complied with and no such rights may be exercised unless such acceptance is given and such conditions are complied with.

23. Corporate Action. Nothing contained in the Plan shall be construed so as to prevent the Company from taking corporate action which is deemed by the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan.

24. Limitation on Sale of Common Shares Purchased Under the Plan. The Plan is intended to provide Common Shares for investment and not for resale. The Company does not, however, intend to restrict or influence any employee with respect to any dealings with Common Shares save and except as provided in clause 17(c). An Eligible Participant may, therefore, sell Common Shares purchased under the Plan provided such Eligible Participant complies with all applicable securities laws. Eligible Participants assume the risk of any market fluctuations in the price of the Common Shares.

25. Notices. All written notices to be given by Eligible Participants to the Company may be delivered personally or by registered mail, postage prepaid, addressed as follows:

Calian Technology Ltd.
340 Legget Drive
Suite 101
Ottawa, Ontario, K2K 1Y6

Attention: Corporate Secretary

Any notice given by Eligible Participants pursuant to the terms of the option shall not be effective until actually received by the Company at the above address. Any notice to an Eligible Participant shall be sufficiently given if delivered personally or by postage prepaid mail to the last address of such Eligible Participant on the records of the Company or the applicable subsidiary and shall be effective seven days after mailing.

26. Shareholder Approval. The Plan shall become effective on the date it is adopted by the Board of Directors of the Company, provided that the shareholders of the Company approve it within 12 months after such date.

Approved by the Board of Directors of Calian Technologies Ltd. on November 10, 2015.

Approved by the Shareholders of Calian Technologies Ltd. on [February 5, 2016].

DATED this 10th day of December 2002 as amended on the 22nd of January 2004, the 21th of May 2004 and the 10th day of November, 2015.

CALIAN TECHNOLOGIES LTD.

Per: __________________________
Name: Jacqueline Gauthier
Title: Corporate Secretary

APPENDIX 6
FORM OF SHAREHOLDER RIGHTS PLAN RESOLUTION

“BE IT RESOLVED, as an ordinary resolution of the shareholders of Calian Technologies Ltd. (the “Corporation”), that:

1. The Calian Technologies Ltd. Shareholder Rights Plan be and is hereby approved;

2. Any one or more directors or officers of the Corporation are hereby authorized, for and on behalf of the Corporation, to execute and deliver all such documents and do all such other acts or things as such person may determine to be necessary or advisable to give effect to this resolution, such determination to be conclusively evidenced by the taking of any such action or such director’s or officer’s execution and delivery of any such document; and

3. Notwithstanding that this resolution has been duly passed by the shareholders, the directors of the Corporation be, and they are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this ordinary resolution.”