

Form 51-102F3
Material Change Report

Item 1. Name and Address of Company

Functional Technologies Corp. (the "Company")
5511 West Boulevard, Suite 218
Vancouver, BC, V6M 4H3

Item 2. Date of Material Change

January 30, 2012

Item 3. News Release

A news release dated January 31, 2012 was disseminated through Marketwire.

Item 4. Summary of Material Change

The Company has appointed Christopher Morris as acting chief executive officer. Howard Louie remains as executive chairman and has been appointed as chief business development officer.

Item 5.1 Full Description of Material Change

The Company has appointed Christopher Morris as acting chief executive officer. This change is intended to enable Howard Louie, who remains as executive chairman and has been appointed as chief business development officer, to focus on the Company's activities in cultivating and executing on strategic relationships associated with its lead technologies, as well as ongoing capital market efforts.

Christopher Morris has more than 12 years of experience in the finance industry including senior roles in corporate finance, capital markets, and restructuring initiatives. He has previously held several senior executive roles in both private and public companies. Dr. Morris holds a PhD from Cambridge University.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102, state the reasons for such reliance.

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Connie Chen, Vice-President, Corporate Development and Communications
Telephone: 647 282 5038

Item 9. **Date of Report**
January 31, 2012