NOTICE OF MEETING

and

INFORMATION CIRCULAR

MEETING OF HOLDERS OF COMMON SHARES
(THE "COMMON SHARES")

to be held on
April 12, 2023
with respect to

AN ORDINARY RESOLUTION

TO AMEND THE TERMS OF CERTAIN COMMON SHARE PURCHASE WARRANTS

March 8, 2022

March 8, 2023

Dear Shareholder:

You are invited to attend a meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Kontrol Technologies Corp. (the “**Corporation**”) to be held at 10:00 AM (Toronto time) on April 12, 2023 at a virtual meeting, meetnow.global/MF9UG6N. At the Meeting, you will be asked to consider amendments to the terms of certain common share purchase warrants issued by the Corporation (the “**Warrants**”).

The Warrants were issued in connection with a private placement of units of the Corporation, which closed on June 1, 2021. The Warrants expire within three (3) years following the applicable closing date and have an exercise price of C$1.75 per share of the Common Shares. The Common Shares have been trading on the NEO Exchange (the “**NEO**”) in the range of C$2.40 to C$0.32 from March 1, 2022 to March 1, 2023.

Pursuant to the press release of the Corporation dated February 16, 2023, the board of directors of the Corporation has determined it to be in the best interests of the Corporation to amend the Warrants to reprice the Warrants from the current exercise price of C$1.75 per Common Share to C$0.81 per Common Share (the “**Warrant Repricing**”). The Corporation also has resolved to extend the expiry date to February 22, 2028 (the “**Warrant Extension**”).

Pursuant to the policies of the NEO, as a condition precedent to the Warrant Repricing and the Warrant Extension, the Shareholders of the Corporation must approve such amendments by ordinary resolution at a meeting of the Shareholders (the “**Warrant Amendments**”).

On behalf of the board of directors and management of the Corporation, I thank you for your continued support.

Yours sincerely,

“*Paul Ghezzi*”

Paul Ghezzi,

Chief Executive Officer

NOTICE OF MEETING OF HOLDERS OF COMMON SHARES
TO BE HELD ON APRIL 12, 2023

NOTICE IS HEREBY GIVEN that the meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares (the "**Common Shares**") of **KONTROL TECHNOLOGIES CORP.** (the "**Corporation**") will be held at 10:00 AM (Toronto time) on April 12, 2023 as a virtual meeting at meetnow.global/MF9UG6N for the following purposes:

(a) to consider, and if thought appropriate, to approve an ordinary resolution ("**Ordinary Resolution**"), the full text of which is set out in the accompanying information circular (the "**Information Circular**") to amend certain Warrants to: (i) reduce the exercise price to C$0.81 per share of the Common Shares; and (ii) extend the expiry date to February 22, 2028; and

(b) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional information with respect to the matters to be considered at the Meeting and forms part of this notice of Meeting. Shareholders are invited to attend the Meeting. Shareholders holding the Common Shares as of March 3, 2023 will be entitled to vote at the Meeting.

Regardless of whether or not you are able to be present at the Meeting, please date, sign and return the form of proxy accompanying this notice of Meeting. To be effective, forms of proxy must be received by 10:00 AM (Toronto time) on April 10, 2023, or if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays after any adjournment of the Meeting.

DATED this 8th day of March, 2023.

BY ORDER OF THE BOARD OF DIRECTORS

"*Paul Ghezzi*"

Paul Ghezzi
Chief Executive Officer

INFORMATION CIRCULAR
RELATING TO THE MEETING OF HOLDERS OF COMMON SHARES
TO BE HELD ON APRIL 12, 2023

VOTING INFORMATION

Solicitation of Proxies

The information contained in this information circular ("**Information Circular**") is furnished to the holders (the "**Shareholders**") of Common Shares (the "**Common Shares**") of Kontrol Technologies Corp. (the "**Corporation**") in connection with the solicitation by management of the Corporation of proxies to be used at the meeting (the "**Meeting**") of the Shareholders to be held at 10:00 AM (Toronto time) on April 12, 2023 virtually at meetnow.global/MF9UG6N , and at all adjournments thereof, for the purposes set forth in the notice of Meeting, which accompanies this Information Circular (the "**Notice of the Meeting**"). The solicitation of proxies will be made primarily by mail but proxies may also be solicited personally or by telephone by officers, directors or regular employees of the Corporation. Employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders in favour of the matters set forth in the Notice of the Meeting. The Corporation may pay brokers or other persons holding the Common Shares in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Information Circular to beneficial owners of the Common Shares and obtaining proxies therefor. The solicitation of proxies by this Information Circular is being made by and on behalf of management of the Corporation. The cost of the solicitation will be borne by the Corporation.

No person is authorized to give any information or to make any representation other than those contained in this Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The information contained herein is given as of March 8, 2023 except as otherwise indicated. The delivery of this Information Circular shall not, under any circumstances, create an implication that the information set forth herein will remain accurate after the date of this Information Circular.

Appointment and Revocation of Proxies

The persons named in the form of proxy accompanying this Information Circular are officers and/or directors of the Corporation. A Shareholder has the right to appoint a person, who need not be a Shareholder, other than the persons specified in such form of proxy to attend and act for and on behalf of such Shareholder at the Meeting. Such right may be exercised by either striking out the names of the persons specified in the form of proxy accompanying this Information Circular and inserting the name of the person to be appointed in the blank space provided in such form of proxy or by completing and executing another form of proxy and, in either case, returning such completed and executed form of proxy in the manner described in the Notice of the Meeting.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

Voting of Common shares Represented by Management Proxies

The persons named in the form of proxy accompanying this Information Circular will vote the Common Shares in respect of which they are appointed proxy on any ballot that may be called for at the Meeting or any adjournment thereof in accordance with the instructions in the form of proxy. In the absence of instructions, such persons will vote such Common Shares in favour of or for each of the matters referred to in the Notice of the Meeting.

The form of proxy accompanying this Information Circular confers discretionary authority upon the persons named therein with respect to amendments to or variations of the matters identified in the Notice of the Meeting and with respect to other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly be brought before the Meeting or any adjournment thereof, the Common Shares represented by any proxy will be voted on such matters in accordance with the judgement of the person named in such proxy.

Non-Registered Shareholders

Some Shareholders beneficially own Common Shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary ("**Non-Registered Shareholders**").

Without specific instructions, intermediaries are prohibited from voting Common Shares for their clients. If you are a Non-Registered Shareholder, you should follow your intermediary's instructions on how to vote your Common Shares.

If you are a Non-Registered Shareholder, you have the right to attend and vote your Common Shares directly at the Meeting. If you are a Non-Registered Shareholder and you wish to attend the Meeting and vote your Common Shares you can request, in writing, a legal proxy from your broker or other intermediary in whose name your Common Shares are registered, that enables you to vote the Common Shares registered in the name of that intermediary. You should carefully and promptly follow the instructions of your intermediary in this regard.

A Non-Registered Shareholder may revoke a form of proxy or voting instruction form given to an intermediary at any time by written notice to the intermediary in accordance with the instructions given to the Non-Registered Shareholder by its intermediary.

How to Vote your Common Shares

Registered Shareholders

If you are a registered Shareholder you may either vote by proxy or in person at the Meeting.

<u>Submitting Votes by Proxy</u>

There are four ways to submit your vote by proxy:

INTERNET: Go to www.investorvote.com and enter the 15-digit control number shown your form of proxy.
TELEPHONE: 1-866-732-VOTE (8683) Toll Free

MAIL Computershare Trust Company of Canada
8th floor
100 University Avenue
Toronto, ON M5J 2Y1

each, in accordance with the instructions on the form of proxy.

A proxy submitted by mail must be in writing, dated the date on which you signed it and be signed by you (or your authorized attorney). If such a proxy is being submitted on behalf of a corporate Shareholder, the proxy must be signed by an authorized officer or attorney of that corporation, whose title should be indicated. A form of proxy executed by a person acting as attorney or in some other representative capacity should state such person's capacity following his or her signature and should be accompanied by the appropriate instrument evidencing qualification and authority to act. If a proxy submitted by mail is not dated, it will be deemed to bear the date on which it was sent to you.

If you are voting your Common Shares by proxy, the completed and signed proxy form must be received by the Warrant Agent by 10:00 AM (Toronto time) on April 10, 2023 (the "**Proxy Cut-off**"), or if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays of any adjournment of the Meeting.

Non-Registered Shareholders

If you are a Non-Registered Shareholder, you should follow your intermediary's instructions on how to vote your Common Shares. Non-Registered Shareholders should also refer to the discussion under "Voting Information – Non-Registered Shareholders" in this Information Circular. The Corporation has distributed copies of the Meeting Materials to intermediaries for distribution to Non-Registered Shareholders.

Quorum

Pursuant to the articles and by-laws of the Corporation, the presence virtually or by proxy of not less than one (1) person who is, or who represents by proxy, one or more shareholders who, in the aggregate, holds at least 5% of the issued Common Shares entitled to be voted at the meeting of shareholders is necessary to constitute a quorum of shareholders.

PARTICULARS OF MATTERS TO BE ACTED UPON

Proposed Amendment of Warrants

The Warrantholder who presently holds 1,211,500 Warrants has agreed to amend the terms of the warrant to affect the Warrant Repricing and the Warrant Extension. Such Warrant Amendments are subject to the approval of the NEO Exchange. Policy 7.05(4) the NEO Exchange manual requires that any material changes to the warrants must be approved by security holders other than security holders who are advantaged by the proposed amendment.

In order to affect the Warrant Amendments, at the Meeting, the Shareholders will be asked to consider, and if thought appropriate, to approve an ordinary resolution to amend the Warrants ("the "**Amendment Resolution**") to: (i) reduce the exercise price to C$0.81 per Common Share; and (ii) to extend the expiry date to February 22, 2028 (the "**Warrant Amendment**"). The full text of the Amendment Resolution is set out below under the heading "*Particulars of Matters to Be Acted Upon – Amendment Resolution*".

Background and Reasons for the Warrant Amendments

The Warrants

The Warrants were issued in connection with a private placement of units of the Corporation, which closed on June 1, 2021. The Warrants expire within 36 months following the closing date and currently have an exercise price of C$1.75 per Common Share. The Common Shares have been trading on the NEO in the in the range of C$2.40 to C$0.32 from March 1, 2022 to March 1, 2023. As at March 8, 2023, the closing market price of the Common Shares on the NEO is C$0.45.

Benefits of Proposed Warrant Amendments

In considering whether to recommend the approval of the proposed Warrant Amendments and the Amendment Resolution to the Shareholders, the board of directors of the Corporation (the "**Board of Directors**") has given consideration to a number of factors including: (i) amount of convertible securities of the Corporation; (ii) allowing Shareholders to participate more effectively and efficiently in the equity upside of the Corporation; and (iii) the additional cash that may flow to the Corporation on exercise of these Warrants if the Warrant Amendments are affected.

The above discussion of the information and factors considered by the Board of Directors is not intended to be exhaustive but is believed by the Board of Directors to include the material factors considered by the Board of Directors in its decision to recommend the approval of the Amendment Resolution. The Board of Directors did not consider it practical, nor did it attempt, to quantify or otherwise assign relative weights to the foregoing factors that were considered in reaching its decision. In addition, in considering the factors described above, individual members of the Board of Directors may have given different weights to various factors and may have applied different analyses to each of the material factors considered by the Board of Directors. The members of the Board of Directors made their recommendation based upon the totality of the information presented to and considered by them.

Amendment Resolution

For the reasons described above, the Board of Directors of the Corporation unanimously recommends that Shareholders vote "**FOR**" the following Amendment Resolution, which must be approved by the holders of not less than 50% of the aggregate number of all the then outstanding Common Shares represented at the

Meeting in person or by proxy, excluding those of any holders who are advantaged by the Warrant Amendments:

BE IT RESOLVED BY ORDINARY RESOLUTION THAT:

1. The Warrants dated June 1, 2021, between Kontrol Technologies Corp. (the "**Corporation**") and the holder of 1,211,500 Warrants and the common shares issued thereunder be amended (the "**Warrant Amendments**") as required to (i) reduce the exercise price to C$0.81 per Common Share; and (ii) extend the expiry date of such Warrants to February 22, 2028;

2. The Warrant Amendments be and are hereby authorized and approved, and the Corporation be and are hereby authorized to execute and deliver an amending agreement that incorporates the Warrant Amendments, and execution as aforesaid by both the Corporation and Warrantholder shall be conclusive evidence of the approval of such amendment;

3. To the extent that any non-material amendments to the form of warrant certificate (the "**Warrant Certificate**") are necessary in connection with the Warrant Amendments, the Corporation be and are hereby authorized to approve such amendments to the Warrant Certificate, provided that such amendments do not change the terms of the Warrants in any way that is adverse to the Warrantholder, and the execution by the Corporation of the amended Warrant Certificates shall be conclusive evidence of such approval;

4. Any one officer or director of the Corporation, be and he or she is hereby authorized and directed to negotiate the final form, enter into, execute, under the corporate seal of the Corporation or otherwise, deliver or cause to be delivered or accept, as the case may be, for and on behalf of the Corporation, any amending agreement or such other agreements and documents in order to give effect to the intent of these resolutions with such additions thereto, changes therein and deletions therefrom, if any, as such officer or director shall consider necessary or desirable and shall approve, such approval to be conclusively evidenced by his or her execution thereof; and

5. Notwithstanding that this resolution has been duly passed by Shareholders, the directors of the Corporation be, and they are hereby, authorized and empowered to abandon and revoke this resolution at any time and to not proceed with the transactions contemplated by entering into an amending agreement, without further approval of the Shareholders.

Shareholder Approval

In order for the Amendment Resolution to be passed, it must be proposed at a meeting of Shareholders duly convened for that purpose and held in accordance with the articles and by-laws of the Corporation, at which there are not less than one (1) person who is, or who represents by proxy, one or more shareholders who, in the aggregate, holds at least 5% of the issued Common Shares entitled to be voted at the meeting of Shareholders is necessary to constitute a quorum of shareholders and passed by the affirmative votes of Shareholders holding not less than 50% of the aggregate number of all then outstanding Common Shares represented at the Meeting.

Unless otherwise directed, the management representatives named in the accompanying form of proxy intend to vote FOR the Amendment Resolution at the Meeting. The Board of Directors unanimously recommends that Shareholders vote <u>FOR</u> the Warrant Amendments.

Recommendation of the Board of Directors

The Board of Directors has concluded the Warrant Amendments and Amendment Resolution are in the best interests of the Corporation, and as such, authorized submission of this Information Circular and the proposed Amendment Resolution to Shareholders for approval.

OTHER BUSINESS

As of the date of this Information Circular, the Board of Directors does not know of any other matters to be brought before the Meeting, other than those set forth in the Notice of Meeting. If other matters are properly brought before the Meeting, the persons named in the enclosed proxy will vote the proxy on such matters in accordance with their best judgment.

DIRECTORS' APPROVAL

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

ADDITIONAL INFORMATION

A full copy of the press release announcing the Warrant Amendments is available on the Corporation's SEDAR profile at www.sedar.com.