

DIRTT Environmental Solutions Ltd.

Management Information Circular and Notice of Annual and Special Meeting of Shareholders

To be held on May 9, 2019

April 1, 2019



DIRTT Environmental Solutions Ltd.

NOTICE OF ANNUAL AND SPECIAL MEETING

Our annual and special meeting of shareholders will be held at

Courtyard by Marriott Calgary South
3750 Market Street SE
Calgary, Alberta T3M 2P2
on Thursday, May 9, 2019 at 11:00 am (MDT)

For the purposes of:

1. receiving the financial statements of DIRTT Environmental Solutions Ltd. (the “**Company**”) for the year ended December 31, 2018 and the auditor’s report thereon;
2. electing the directors of the Company for the ensuing year at the remuneration to be fixed by the board of directors of the Company;
3. appointing PricewaterhouseCoopers LLP as the Company’s auditor for the ensuing year;
4. approving an amendment to the Company’s Articles to:
 - i. amend and restate the rights, privileges, restrictions and conditions attaching to the common shares in the capital of the Company (the “**Common Shares**”) to clarify the voting, dividend and participation rights thereof without any impact to the relative interests of the holders of Common Shares;
 - ii. include a provision to allow for meetings of the shareholders of the Company to be held outside of Alberta; and
 - iii. correct the inadvertent omission of the word “not” from subsection (a) of the other rules or provisions attached to and forming part of the Articles;
5. approving an amendment to the Company’s Articles to increase the Company’s share capital by creating a new class of preferred shares that may be issued in one or more series;
6. confirming and ratifying amendments to the Amended and Restated By-Law No. 1 of the Company;
7. approving all unallocated options reserved for issuance under the Company’s amended and restated stock option plan; and
8. transacting such other business as may properly be brought before the meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the meeting are set forth in the Information Circular of the Company, which accompanies this Notice.

By order of the Board of Directors

(signed) “Joseph Zirkman”

Joseph Zirkman

SVP, General Counsel and Corporate Secretary

April 1, 2019

Letter to Shareholders

Dear fellow shareholder,

I'm pleased to invite you to the 2019 annual and special meeting of shareholders of DIRTT Environmental Solutions Ltd. The meeting will take place in the Mahogany Room of the Marriott Courtyard Calgary South, 3750 Market Street SE, Calgary, Alberta, Canada, at 11:00 a.m. MDT on Thursday, May 9, 2019.

2018 was a remarkable year of achievement for DIRTT, particularly in balancing profitability with growth. The priority was establishing a leadership team that could identify opportunities for improvement, provide stability and inspiration for the future and to create a platform for scalable and replicable growth that will drive DIRTT's long-term success.

Geoff Krause joined DIRTT in June as our chief financial officer and I joined in September as chief executive officer. We announced the addition and promotion of several other individuals to our leadership team in early 2019, each of whom engage with our vision and offer unparalleled expertise within their respective areas.

In creating a foundation for scalable and replicable growth, operational excellence is an area of reenergized focus. Under the leadership of our recently appointed chief operating officer, Jeff Calkins, we're addressing existing challenges and concentrating on opportunities for improvement. Lean manufacturing techniques are being implemented throughout our facilities, including key performance indicators for safety, quality, delivery, inventory and productivity. We're also establishing methods to more accurately measure our manufacturing capacity and practices that drive continuous improvement and real-time process improvements on the shop floor.

Maximizing the reach and effectiveness of our sales and marketing approach remains a priority. We're moving forward with improvements and enhancements to the structure of our sales model, to increase accountability and boost performance management. This includes implementing a national accounts strategy and the development of a methodical framework to capture and deliver on those opportunities. In addition, the design and build-outs of DIRTT Green Learning Centers are underway in the prime commercial real estate markets of Seattle and New York City, under existing leases.

With the goal of increased flexibility and visibility to our United States shareholders and also broadly within the capital markets, we're applying to list on a U.S. exchange this year. This further acknowledges the importance of the U.S. to DIRTT's overall future growth.

In combination, these actions are part of a deliberate and multi-step evolution and mark a pivotal time in DIRTT's story. The conventional construction industry faces ongoing challenges, the solutions to which have been part of DIRTT's DNA from the beginning. Our focus now is on evolving to a point where our growth reflects the opportunity, our execution is of the highest order and we can successfully and sustainably scale this company. As we identify and implement systems and behaviours to strengthen our foundation for long-term success, I'm more confident than ever in our potential to radically increase market penetration.

DIRTT's management information circular contains important information about the business of our upcoming annual and special meeting and the voting items. I encourage you to read the information circular in full before you vote your shares. Thank you for your ongoing commitment to DIRTT. I look forward to seeing you May 9th.

Sincerely,

(signed) "Kevin O'Meara"

Kevin O'Meara

Chief Executive Officer

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Voting Information

SHAREHOLDER VOTING MATTERS AND BOARD RECOMMENDATION

Voting Matter	Board Vote Recommendation	Additional Information on Page
Election of Directors	FOR each nominee	9
Appointment of PricewaterhouseCoopers LLP as Auditor and authorizing the Board of Directors to fix their remuneration	FOR	10
Approval of amendments to Company's Articles to give effect to housekeeping amendments, including the ability to hold meetings of shareholders outside of Alberta	FOR	10
Approval of amendments to the Company's Articles to create a class of preferred shares that may be issued in one or more series	FOR	12
Confirmation and ratification of amendments to the Company's Bylaws	FOR	13
Approval of all unallocated options reserved for issuance under Company's Amended and Restated Incentive Stock Option Plan	FOR	14

This management information circular (the "**Information Circular**"), dated April 1, 2019, is provided in connection with the solicitation of proxies by or on behalf of management of DIRTT Environmental Solutions Ltd. for use at the annual and special meeting of shareholders (the "**Meeting**"). In this Information Circular, "DIRTT", the "Company", "we", "us" or "our" refer to DIRTT Environmental Solutions Ltd., and "you", "your" and "shareholder" refer to the holders of Common Shares in the capital of the Company. The Meeting will be held on Thursday, May 9, 2019, at 11:00am MDT, for the purposes set forth in the Notice of Meeting. The information contained herein is given as at April 1, 2019 unless otherwise indicated.

This Information Circular contains detailed information on the matters to be considered at the Meeting, or any adjournment or postponement thereof. Please read this Information Circular carefully and remember to vote your Common Shares, either by proxy or in person at the Meeting, or any adjournment or postponement thereof. Your vote is important.

WHO CAN VOTE

Shareholders of record at the close of business on March 29, 2019 (the "**Record Date**") are entitled to vote at the Meeting or at any adjournment or postponement thereof, on the basis of one vote per Common Share held, unless (i) a registered shareholder has transferred the ownership of any Common Shares subsequent to the Record Date, and (ii) the transferee shareholder produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, no later than ten (10) days before the Meeting, that his or her name be included on the shareholders list before the Meeting, in which case, the transferee shareholder shall be entitled to vote such Common Shares at the Meeting, or any adjournment or postponement thereof. The transfer books will not be closed. As of the close of business on the Record Date, the Company had 84,661,372 Common Shares issued and outstanding.

HOW TO VOTE

How you vote depends on whether you are a registered or non-registered shareholder. You are a registered shareholder if the Common Shares you own are registered in your name and you have a share certificate. You are a non-registered shareholder if your Common Shares are registered in the name of an intermediary, such as a trustee, financial institution or securities broker. You can vote in person or by proxy, as explained below.

Registered Shareholders

Voting by Proxy (Proxy Form) - You can vote by proxy in the following ways:

- Visit www.investorvote.com and follow the instructions. You will need your 15-digit control number found on your proxy form.
- Date, complete, sign and return the accompanying proxy form to the Company's transfer agent, Computershare Trust Company of Canada, Proxy Department: (i) by mail using the enclosed return envelope or one addressed to 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or (iii) by facsimile to (416) 263-9524 or 1 (866) 249-7775.

Your duly executed proxy form must be received by Computershare Trust Company of Canada, or you must have voted by internet, no later than May 7, 2019 at 11:00am (MDT), or in the case of adjournment or postponement, not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time of the adjourned or postponed Meeting or any subsequent adjournment(s) or postponement(s) thereof. An instrument of proxy will not be valid for the Meeting, or any adjournment or postponement thereof, unless it is signed by you or your attorney (duly authorized in writing). The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

Voting in Person – If you wish to vote in person, you do not need to complete or return your proxy form. Simply register with Computershare Trust Company of Canada when you arrive at the Meeting.

NON-REGISTERED SHAREHOLDERS

Voting by Proxy (Voting Instruction Form) – Follow the instructions on the voting instruction form provided to you by your intermediary, and return it to your intermediary. Your duly executed voting instruction form must be received by your intermediary with sufficient time for your vote to be processed by Computershare Trust Company of Canada, in all cases no later than May 7, 2019 at 11:00am (MDT), or in the case of adjournment or postponement, not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time of the adjourned or postponed Meeting or any subsequent adjournment(s) or postponement(s) thereof. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

Voting in Person – Follow the instructions on the voting instruction form provided to you by your intermediary and within the timelines set forth in the voting instruction form. Register with Computershare Trust Company of Canada when you arrive at the Meeting.

VOTING BY PROXY

The persons named in the enclosed proxy form are directors and/or executive officers of the Company. **You have the right to appoint another person (who need not be a shareholder) to represent you at the Meeting, or any adjournment or postponement thereof. To do so, insert the name of that person in the space provided in the proxy form and strike out the other names.**

Your Common Shares will be voted in accordance with your instructions indicated on the proxy form. In the absence of such instructions, your shares will be voted by the persons named in the enclosed proxy form as follows:

- **FOR** the election of each nominated director;
- **FOR** the appointment of PricewaterhouseCoopers LLP as auditor;

- **FOR** the approval of housekeeping amendments to the Company's Articles including the ability to hold meetings of shareholders outside of Alberta;
- **FOR** the approval of amendments to the Company's Articles to create a class of preferred shares, issuable in one or more series;
- **FOR** the approval of amendments to the Company's Amended and Restated Bylaws; and
- **FOR** the approval of all unallocated options reserved for issuance under the Company's Amended and Restated Incentive Stock Option Plan;

The persons named in the proxy form will have discretionary authority with respect to any amendments or variations to matters to be acted on at the Meeting, or any other business properly brought before the Meeting or any adjournment or postponement thereof. The persons named in the proxy form will vote on such matters in accordance with their best judgement. At the time this Information Circular was printed, the Company did not know of any such amendment, variation or other matter.

CHANGING YOUR VOTE

If you are a registered shareholder and change your mind on how you want your Common Shares voted or you decide to attend the Meeting, or any adjournment or postponement thereof, and vote in person, you can revoke your proxy in any manner permitted by law, including by (i) personally attending at the Meeting, or any adjournment or postponement thereof, and voting your Common Shares, (ii) depositing another form of proxy with a later date, or (iii) in any manner permitted by law, including by instrument in writing executed by you or your attorney (duly authorized in writing) and deposited with Computershare Trust Company of Canada at any time up to and including the last business day preceding the day of Meeting or any adjournment or postponement thereof at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

If you are a beneficial shareholder, follow the instructions of your intermediary with respect to the procedures to be followed for voting as discussed above. Any votes that have been cast on your behalf prior to your revoking your proxy will remain and you will be bound by such vote.

PRINCIPAL SHAREHOLDERS

As of the Record Date, to the knowledge of the Company's directors and executive officers, the only person who beneficially owns, or directly exercises control or directions over, shares carrying 10% or more of the voting rights attached to the Common Shares, is T. Rowe Price. As of the last publicly filed report, T. Rowe Price held 8,559,813 Common Shares on the Record Date, representing 10.1% of the issued and outstanding Common Shares.

OTHER INFORMATION

Solicitation

This solicitation is being made by and on behalf of management of the Company. In addition to soliciting proxies by mailing this Information Circular, directors, officers, employees and agents of DIRTT may solicit proxies on behalf of management, by telephone or other means of communication at a nominal cost to the Company. All costs of soliciting, preparing and mailing the proxy form, Notice of Meeting and this Information Circular will be borne by the Company, including the costs of sending materials to non-registered shareholders.

The Company has also retained the services of Kingsdale Advisors as our strategic shareholder advisor and proxy solicitation agent for the solicitation of proxies for the Meeting, or any adjournment or postponement thereof, at an aggregate cost estimated to be \$30,000. Kingsdale Advisors may also receive additional fees from the Company for other services.

DIRTT may utilize the Broadridge QuickVote service to assist beneficial shareholders with voting their DIRTT Common Shares over the telephone. In addition, Kingsdale Advisors may contact such beneficial shareholders to offer assistance with conveniently voting their Common Shares through the Broadridge QuickVote service. Broadridge will then tabulate the results of all the instructions received and provide the appropriate instructions respecting the Common Shares to be represented at the Meeting.

Receiving Meeting Materials as a Beneficial Holder

The Company uses the notice-and-access process as its method of communication with beneficial shareholders for shareholder voting and proxy-related materials. The Company will not send proxy-related materials directly to non-objecting beneficial shareholders and such materials will be delivered to non-objecting beneficial shareholders by the non-objecting beneficial shareholder's intermediary. The Company intends to pay for the costs of an intermediary to deliver to objecting beneficial shareholders the proxy-related materials.

Questions

If you have any questions about the information contained in this Information Circular, or require any assistance in completing your proxy form, please contact Kingsdale Advisors at 1-866-851-2743.

Transfer Agent

You can contact the Company's transfer agent, Computershare Trust Company of Canada: by mail at 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5; by telephone at (416) 263-9200 or 1(800) 564-6253; or by facsimile to (416) 263-9524 or 1 (866) 249-7775.



Business of the Meeting

PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2018 and the auditor's report thereon will be placed before the Meeting, or any adjournment or postponement thereof. Copies of these materials may be obtained by shareholders upon request and will be available at the Meeting, or any adjournment or postponement thereof. These materials are also available on our website at www.dirtt.net and on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

At the Meeting, or any adjournment or postponement thereof, shareholders will be asked to elect nine persons to the Board of Directors (the “**Board**” or the “**Board of Directors**”) each to hold office until the next annual meeting of shareholders or until such person's successor is elected or appointed. Our nominees for election as directors are set out below:

Wayne Boulais	Richard J. Haray	Denise Karkkainen
John (Jack) Elliott	Ronald Kaplan	Christine McGinley
Todd Lillibridge	Steve Parry	Kevin O'Meara

See “DIRTT's Director Nominees” on p. 16 for additional information about each director nominated by the Company. All of the nominees proposed for election as directors are currently directors of the Company. All nominees were recommended to the Board of Directors by the Corporate Governance Committee.

See “Majority Voting Policy” on p. 28 for information about the Company's Majority Voting Policy.

Recommendation of the Board

The Board unanimously recommends that the shareholders of the Company vote in favour of DIRTT's Director Nominees. Unless you give other instructions, the persons named in the enclosed proxy form intend to vote FOR the election of each of DIRTT's Director Nominees. If, prior to the Meeting, or any adjournment or postponement thereof, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the proxy form mailed to shareholders intend to vote “FOR” the election of any substitute nominee or nominees recommended by management of DIRTT and “FOR” the remaining proposed nominees. Management of DIRTT has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

APPOINTMENT OF AUDITOR

At the Meeting, or any adjournment or postponement thereof, shareholders will be asked to appoint PricewaterhouseCoopers LLP to serve as the Company's auditor until the next annual meeting of shareholders at a remuneration to be fixed by the Board. PricewaterhouseCoopers LLP was first appointed as the auditor of the Company effective June 9, 2017. Deloitte LLP was previously the Company's auditor.

The following table sets out the fees for services provided to the Company by its external auditors for the years ended December 31, 2018 and 2017.

Nature of Services	December 31, 2018	December 31, 2017
Audit Fees (\$) ⁽¹⁾	555,690	363,087
Audit-Related Fees (\$) ⁽²⁾	9,305	9,523
Tax Fees (\$) ⁽³⁾	65,361	16,050
Total	630,356	388,660

(1) Includes the aggregate professional fees paid to the Company's external auditor for audit services. This includes, among other things quarterly reviews and audit of the annual financial statements; due diligence in support of a potential strategic transaction; assessing compliance with United States foreign private issuer regulations; and assessing United States listing readiness.

(2) Includes the aggregate professional fees paid to the Company's external auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported in (1) above. This includes, among other things conferring with the Board and Audit Committee regarding financial reporting and accounting standards.

(3) Includes the aggregate fees paid to the Company's external auditor for tax compliance, tax advice, tax planning and advisory services. This includes, among other things, reviewing the impact of potential taxable benefits related to a former executive.

Recommendation of the Board

The Board unanimously recommends that the shareholders of the Company appoint PricewaterhouseCoopers LLP to serve as the Company's external auditor until the next annual meeting of shareholders at a remuneration to be fixed by the Board. Unless you give other instructions, the persons named in the enclosed proxy form intend to vote FOR the appointment of PricewaterhouseCoopers LLP as the Company's external auditor at a remuneration to be fixed by the Board.

HOUSEKEEPING AMENDMENT OF THE ARTICLES OF THE COMPANY

Common Share Amendment

Management of the Company has determined it is in the best interest of the Company to amend the rights, privileges, restrictions and conditions attaching to the Common Shares to clarify the voting, dividend and participation rights thereof (the "**Common Share Amendment**").

The Common Share Amendment will amend subsection (b) of the schedule of share structure attached to and forming part of the Articles (the "**Share Structure**") by deleting the words "and vote" and replacing it with the words "and to one vote per Common Share", in order to clarify that each Common Share carries the right to one vote at meetings of shareholders.

In addition, the Common Share Amendment will delete subsection (d) from the Share Structure, which states that holders of Common Shares are entitled to the rights, privileges and restrictions normally attached to Common Shares. The voting, dividend and participation rights attaching to the Common Shares are provided in subsections (a) to (c) of the Share Structure and subsection (d) provides no additional rights or privileges to holders of Common Shares that are not otherwise prescribed under the *Business Corporations Act* (Alberta) (the "**ABCA**"). Accordingly, management believes subsection (d) of the Share Structure should be deleted in order to remove any potential ambiguity and that such amendment will not alter the relative interests of the holders of Common Shares. No further amendments to the voting, dividend or participation rights attaching to the Common Shares are being proposed.

The Common Share Amendment will not diminish the rights or privileges of holders of Common Shares and management believes that the Common Share Amendment will result in a description of Common Shares that is more consistent with the description of common shares of comparable issuers in Canada and the United States. Accordingly, the shareholders will be asked at the Meeting, or any adjournment or postponement thereof to consider a special resolution amending the Company's Articles (the "**Housekeeping Amendment Resolution**"), which will include the Common Share Amendment.

Meeting Outside of Alberta

Pursuant to subsection 131(1) of the ABCA, the Company is currently required to hold meetings of shareholders in Alberta, Canada. As the Company has a substantial shareholder base outside of Alberta, Canada, notably in the United States where approximately 67% of the existing shareholders reside, the Board wishes to have greater flexibility to periodically hold meetings of shareholders at locations outside of Alberta, Canada, including the United States, if the Board considers it to be practicable and in the best interest of the Company to do so.

In accordance with subsections 131(4) and 173(1)(n) of the ABCA, the Articles may be amended to permit the Company to hold meetings of its shareholders outside of Alberta, Canada. Accordingly, the shareholders will be asked at the Meeting, or any adjournment or postponement thereof, to consider a special resolution amending the Company's Articles to allow the Company to hold meetings in or outside of Alberta, Canada (the "**Meeting Location Resolution**"). The Housekeeping Amendment Resolution will include the Meeting Location Resolution.

Amendment to Correct Omission

The Housekeeping Amendment Resolution, if approved by shareholders at the Meeting, or any adjournment or postponement thereof, will also correct an omission that was made in subsection (a) of the other rules or provisions attached to and forming part of the Articles by inserting the word "not" after the word "shall". Section 106(4) of the ABCA provides that, if the Articles so provide, the Board may, between annual general meetings, appoint one or more additional directors of the Company to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual meeting of the Company. The word "not" was inadvertently omitted from the Articles and management believes that it is in the best interest of the Company to correct this omission.

Shareholder Approval

At the Meeting, or any adjournment or postponement thereof, shareholders will be asked to consider the following Housekeeping Amendment Resolution:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. Pursuant to section 173 of the Business Corporations Act (Alberta), the articles of amalgamation (the "Articles") of DIRTT Environmental Solutions Ltd. (the "Company") be and are hereby amended and restated as follows:
 - a. by deleting Schedule "A" attached to the Articles in its entirety and replacing such schedule with the schedule of share structure attached as Appendix "A" to the Management Information Circular (the "Circular") of the Company dated April 1, 2019 in respect of the Company's annual and special meeting of holders of common shares in the capital of the Company scheduled to be held on May 9, 2019; and
 - b. by deleting Schedule "B" attached to the Articles in its entirety and replacing such schedule with the other rules and provisions attached as Appendix "B" to the Circular.
2. Any one director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, including articles of amendment, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.
3. Notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the board of

directors of the Company may, in their sole discretion and without further approval of the shareholders of the Company, revoke this special resolution at any time prior to effecting the amendment to the Articles of the Company and elect not to act on or carry out this special resolution.”

In order for the foregoing resolution to be passed, it must be approved by two-thirds of the votes cast at the Meeting, or any adjournment or postponement thereof, by shareholders who vote in person or by proxy at the Meeting, or any adjournment or postponement thereof.

Recommendation of the Board

The Board unanimously recommends that the shareholders approve the Housekeeping Amendment Resolution. Unless you give other instructions, the persons named in the enclosed proxy form intend to vote FOR the Housekeeping Amendment Resolution.

AMENDMENT OF THE ARTICLES OF THE COMPANY TO CREATE PREFERRED SHARES ISSUABLE IN SERIES

At the Meeting, or any adjournment or postponement thereof, shareholders will be asked to pass a special resolution (the “**Preferred Share Resolution**”) authorizing an increase to the Company’s share capital by creating a new class of preferred shares (the “**Preferred Shares**”) that may be issued in one or more series.

The purpose of creating the Preferred Shares is to provide the Company with greater flexibility in its capital structure. This will allow the Board of Directors to react quickly to market conditions and other factors and create a series of Preferred Shares without the time and expense involved in calling a special meeting of the shareholders. An unlimited number of Preferred Shares will be created, subject to the limitations set forth below, and the Preferred Shares may at any time, and from time to time, be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the Board of Directors. Subject to the provisions of the ABCA, the Board of Directors may by resolution fix, from time to time before the issue thereof, the designation, rights, privileges, restrictions and conditions attaching to each series of the Preferred Shares.

There will be a limitation on the issue of Preferred Shares such that the Company may not issue Preferred Shares if by doing so the aggregate number of Preferred Shares that would then be issued and outstanding would exceed 20 percent of the aggregate number of Common Shares then issued and outstanding.

Shareholder Approval

At the Meeting, or any adjournment or postponement thereof, shareholders will be asked to consider the following Preferred Share Resolution:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. Pursuant to section 173 of the Business Corporations Act (Alberta), the articles of amalgamation (the “Articles”) of DIRTT Environmental Solutions Ltd. (the “Company”) be and hereby are amended by creating a new class of preferred shares, issuable in series, having the rights, privileges, restrictions and conditions as set forth in Appendix “C” the Management Information Circular (the “Circular”) of the Company dated April 1, 2019 in respect of the Company’s annual and special meeting of holders of common shares in the capital of the Company scheduled to be held on May 9, 2019, regardless of the outcome of the vote on the Housekeeping Amendment Resolution, as such term is defined in the Circular.
2. Any one director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, including articles of amendment, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.
3. Notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the board of directors of the Company may, in their sole discretion and without further approval of the shareholders of the Company,

revoke this special resolution at any time prior to effecting the amendment to the Articles of the Company and elect not to act on or carry out this special resolution.”

In order for the foregoing resolution to be passed, it must be approved by two-thirds of the votes cast at the Meeting, or any adjournment or postponement thereof, by shareholders who vote in person or by proxy at the Meeting, or any adjournment or postponement thereof.

Recommendation of the Board

The Board unanimously recommends that the shareholders approve the Preferred Share Resolution. Unless you give other instructions, the persons named in the enclosed proxy form intend to vote FOR the Preferred Share Resolution.

AMENDMENT TO THE AMENDED AND RESTATED BYLAW OF THE COMPANY

On March 31, 2019, the Board approved, subject to confirmation and ratification by the shareholders at the Meeting, or any adjournment or postponement thereof, the adoption of an amendment and restatement (the “**Updated By-Law No. 1**”) of the Amended and Restated By-Law No. 1 of the Company. A copy of the Updated By-Law No. 1 is attached as Appendix “D” hereto. A copy of the Company’s Amended and Restated By-Law No. 1 prior to the adoption of the Updated By-Law No. 1 is available on our website at www.dirtt.net and on SEDAR at www.SEDAR.com.

The Updated By-Law No. 1 is effective until it is confirmed and ratified upon approval by the shareholders of an ordinary resolution at the Meeting. If Updated By-Law No. 1 is confirmed by shareholders at the Meeting, or any adjournment or postponement thereof, then it will continue to be effective. If shareholders do not confirm the Updated By-Law No. 1 at the Meeting, or any adjournment or postponement thereof, then the Updated By-Law No. 1 will be of no force and effect and the Company will continue to be governed by its prior Amended and Restated By-Law No. 1.

The amendments incorporated into the Updated By-Law No. 1 are generally of an administrative and housekeeping nature, and include the following:

- amendments that are necessary or advisable in connection with the previously announced intention by the Company to obtain and maintain a dual listing in Canada and the United States, including references to director independence and proxy statement requirements under applicable securities laws and regulations in the United States in the advance notice section of the Updated By-Law No. 1;
- amendments to accommodate any use by the Company of “notice-and-access” for delivery of proxy related materials, such that if “notice-and-access” is used, the deadline for timely delivery of advance notice of director nominations is generally not less than 40 days before the date of the applicable meeting of shareholders, rather than 30 days where “notice-and-access” is not used;
- amendments to confirm the Company ability to issue uncertificated securities (in place of physical share certificates) through an electronic, book-based direct registration service or other non-certificated registration system that may be adopted from time to time;
- amendments that are necessary or advisable in connection with the proposed amendment to the Company’s Articles to permit the Company to hold meetings of its Shareholders outside of Alberta (see information under the heading “Meeting Outside of Alberta” on page 13 of this Information Circular);
- amendments to clarify and confirm certain procedural matters in respect of the conduct of meetings of shareholders, including the authority of the Chair of the Meeting to adjourn the Meeting; and
- amendments intended to cure ambiguity.

Shareholder Approval

At the Meeting, or any adjournment or postponement thereof, shareholders will be asked to pass the following ordinary resolution confirming and ratifying Updated By-Law No. 1, subject to such amendments, variations or additions as may be approved at the Meeting, or any adjournment or postponement thereof:

“BE IT RESOLVED THAT:

1. Amended and Restated By-Law No. 1 of DIRTT Environmental Solutions Ltd. (the “Company”) attached as Appendix “D” to the Management Information Circular of the Company dated April 1, 2019 in respect of the Company’s annual and special meeting of holders of common shares in the capital of the Company scheduled to be held on May 9, 2019 is hereby confirmed and ratified; and
2. any one director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

The Updated By-Law No. 1 must be confirmed and ratified by a majority of the votes cast thereon at the Meeting in order for it to continue to be effective.

Recommendation of the Board

The Board unanimously recommends that the shareholders confirm and ratify the Updated By-Law No. 1. Unless you give other instructions, the persons named in the enclosed proxy form intend to vote FOR the confirmation and ratification of Updated By-Law No 1.

APPROVAL OF UNALLOCATED OPTIONS UNDER THE STOCK OPTION PLAN

The Toronto Stock Exchange (“TSX”) Company Manual requires that every three years after the institution by an issuer of a security-based compensation arrangement which does not have a fixed maximum number of securities issuable thereunder, all unallocated rights, options or other entitlements under such arrangement must be approved by a majority of the issuer’s directors and by the issuer’s security holders. The Company’s Amended and Restated Incentive Stock Option Plan (the “**Option Plan**”) is a security-based compensation arrangement and provides that the number of securities issuable thereunder is equal to 10% of the outstanding Common Shares. Accordingly, shareholders will be asked to approve, by ordinary resolution, the grant of unallocated options under the Option Plan. Options are considered to be “allocated” under the Option Plan when issued and options which remain available for grant under the Option Plan are referred to as “unallocated”.

As of the date hereof, there are 5,915,449 options issued and outstanding, representing approximately 7.0% of the outstanding Common Shares. Accordingly, 2,550,688 options remain unallocated and available for grant under the Option Plan as of the date hereof.

The terms of the Option Plan are fully described in this Information Circular under the heading “Securities Authorized for Issuance Under Equity Compensation Plans”.

Shareholder Approval

At the Meeting, or any adjournment or postponement thereof, shareholders will be asked to pass the following ordinary resolution approving the unallocated options issuable pursuant to the Plan:

“BE IT RESOLVED THAT:

1. all unallocated options under the amended and restated incentive stock option plan (the “Option Plan”) of DIRTT Environmental Solutions Ltd. (the “Company”) are hereby approved;
2. the Company shall have the ability to continue granting options under the Option Plan of the Company until May 9,

2022, being the date that is three years from the annual and special meeting of holders of common shares in the capital of the Company held on May 9, 2019; and

3. any one director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

If approval is obtained at the Meeting, or any adjournment or postponement thereof, the Company will not be required to seek further approval of the grant of unallocated options under the Option Plan until May 9, 2022. If approval is not obtained at the Meeting, or any adjournment or postponement thereof, options which have not been allocated as of May 6, 2019, and options which are outstanding as of May 6, 2019, and which are subsequently cancelled, terminated or exercised, will not be available for a new grant of options under the Option Plan. Previously allocated options will continue to be unaffected by the approval or disapproval of the foregoing resolution.

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast at the Meeting, or any adjournment or postponement thereof, by shareholders who vote in person or by proxy at the Meeting, or any adjournment or postponement thereof.

Recommendation of the Board

The Board unanimously recommends that the shareholders approve the resolution approving the unallocated options under the Option Plan. Unless you give other instructions, the persons named in the enclosed proxy form, intend to vote **FOR** the approval of the unallocated options under the Option Plan.



DIRTT's Director Nominees



STEVE PARRY

Board Chair, DIRTT

President, Skara Brae Strategy Consultants

Age: 63

Ontario, Canada

Director Since: December 2011

Independent

Mr. Parry has more than 27 years of management experience in the mining and finance industries. He is currently the President of Skara Brae Strategy Consultants, which provides strategic advisory services to high growth companies regarding the Canadian financing ecosystem as a source of capital; and an Advisor to Grenville Strategic Royalty Corp. ("Grenville"), a public Canadian company providing capital to industrial and technology companies using a royalty-based finance solution; His previous roles include President and CEO of Grenville; Managing Member of NGEN Partners, a United States-based cleantech venture capital firm; and General Manager, Innovation at BHP Billiton Exploration and Development, a subsidiary of BHP Billiton, the world's largest mining company. Mr. Parry is a professional geologist, holds a Bachelor of Science degree from Queen's University and a Master of Science degree from the University of Western Ontario and has completed executive education programs at Harvard University, Columbia University, the Wharton School of Business and the London Business School. Mr. Parry is a director and Chair of the Audit Committee of Boardwalktech, a California-based blockchain company listed on the TSX Venture Exchange; a director and member of the Compensation Committee of ClearBlue International Technologies, a provider of off-grid lighting and telecom control solutions listed on the TSX Venture Exchange; and a director at Greengate Power Corp, a private Alberta-based company in the renewable energy field. He is a recipient of the Canada 125 Medal for his work on behalf of Canadian resource communities.

MEMBER OF	2018 ATTENDANCE	CURRENT PUBLIC COMPANY BOARDS
Board	13/13 100%	Boardwalktech (TSXV: BWLK)
Corporate Governance Committee	15/16 94%	ClearBlue International Technologies (TSXV: CBLU)

SECURITIES HELD

Common Shares	Deferred Share Units	Options	Value of Equity Holdings (\$) ⁽¹⁾
18,100	10,909	65,000	246,286

2018 VOTES IN FAVOUR 89.46%



WAYNE BOULAIS

Managing Director, Tensility Venture Partners

Age: 55

Illinois, USA

Director Since: May 2015

Independent

Mr. Boulais has more than 17 years of technology investing experience and is currently actively investing in companies as Managing Director of United States based venture capital firm, Tensility Venture Partners. Mr. Boulais continues to manage several investments from his prior firm, Apex Venture Partners ("Apex"). During Mr. Boulais' tenure at Apex, he served as the board designee for a significant portion of the fund's investments. Prior to Mr. Boulais' investment experience, he was a principal at Mercer Management Consulting (now Oliver Wyman) in the communications, information and entertainment practice. Mr. Boulais holds a Bachelor of Science degree and a Master of Science degree in electrical engineering from the University of Massachusetts, and a Master of Business Administration degree from the Massachusetts Institute of Technology.

MEMBER OF	2018 ATTENDANCE	CURRENT PUBLIC COMPANY BOARDS
Board	12/13 92%	None
Audit Committee	4/4 100%	

SECURITIES HELD

Common Shares ⁽²⁾	Deferred Share Units	Stock Options	Value of Equity Holdings (\$) ⁽¹⁾
37,500	3,747	40,000	350,187

2018 VOTES IN FAVOUR 90.99%



JOHN (JACK) ELLIOTT

Corporate Director

Age: 66

Alberta, Canada

Director Since: April 2018

Independent

Mr. Elliott has over 40 years of experience in construction and technology-enabled engineering. He is currently an Advisor to Xylem Inc., a leader in technology-driven condition assessment, monitoring and analysis of water, wastewater and oil and gas pipelines. Prior to that, he was President and then CEO of Pure Technologies Ltd. ("Pure") until the company was acquired by Xylem February 2018, during his tenure. Mr. Elliott was instrumental in building Pure into a world leader in technology-driven condition assessment, monitoring and analysis of water, wastewater and oil and gas pipelines. Prior to joining Pure, Mr. Elliott's Canadian experience included general management and engineering roles with Foundation Company of Canada (now Aecon), Cana Construction Ltd. and CCD Engineering Ltd. He is also a former president of the American Concrete Institute (Alberta Chapter). Mr. Elliott holds a Bachelor of Engineering degree from National University of Ireland (University College Cork).

MEMBER OF	2018 ATTENDANCE	CURRENT PUBLIC COMPANY BOARDS
Board	8/8 100%	None
Human Resources and Compensation Committee	4/4 100%	
Corporate Governance Committee	3/3 100%	

SECURITIES HELD

Common Shares	Deferred Share Units	Options	Value of Equity Holdings (\$) ⁽¹⁾
15,400	3,784	40,000	162,872
2018 VOTES IN FAVOUR		90.96%	



RICHARD J. HARAY

Senior Vice-President of Corporate Services, Interpublic Group

Age: 62

New York, USA

Director Since: November 2016

Independent

Mr. Haray has nearly 30 years of experience in the commercial real estate and insurance industries, including his current role as Senior Vice President, Corporate Services of the Interpublic Group, one of the world's leading organizations of advertising agencies and marketing services companies; as Vice President and Lease Counsel of Rockefeller Center Management Company; and as real estate associate at United States law firms, Shearman and Sterling and Wilkie Farr & Gallagher. Mr. Haray currently serves as a director of several non-profit organizations including Regional Plan Association, Fordham University President's Council and James Lenox House Association. Mr. Haray is a member of CoreNet, a corporate real estate professional organization and CRELC, a corporate leadership group focusing on current real estate issues and trends. Mr. Haray holds a Bachelor of Arts degree from St. John's University and a Juris Doctor degree from St. John's University School of Law.

MEMBER OF	2018 ATTENDANCE	CURRENT PUBLIC COMPANY BOARDS
Board	13/13 100%	None
Human Resources and Compensation Committee	5/5 100%	

SECURITIES HELD

Common Shares	Deferred Share Units	Options	Value of Equity Holdings (\$) ⁽¹⁾
5,000	3,784	25,000	74,576
2018 VOTES IN FAVOUR		94.14%	



RONALD KAPLAN
Chairman, Trex Company
Age: 67
Virginia, USA
Director Since: April 2018
Not Independent

Mr. Kaplan has over 30 years of experience in the building materials and construction industries. Mr. Kaplan is the current chairman and former president and CEO of Trex Company, Inc., a leading manufacturer globally of wood-alternative decking and with a focus on environmental sustainability. Mr. Kaplan previously served as the CEO and president of Continental Global Group Inc. and has held numerous senior roles in the Harsco Corporation. He serves as a director of ECORE International Inc. and CaesarStone Ltd. Mr. Kaplan holds a Bachelor of Arts degree in Economics from Alfred University and a Master of Business Administration degree from the Wharton School of Business, University of Pennsylvania.

MEMBER OF	2018 ATTENDANCE	CURRENT PUBLIC COMPANY BOARDS
Board	8/8 100%	Caesarstone Ltd. (NASDAQ: CTSE) Trex Company Inc. (NYSE: TREX)

SECURITIES HELD

Common Shares	Deferred Share Units	Options	Value of Equity Holdings (\$) ⁽¹⁾
–	3,636	–	30,870
2018 VOTES IN FAVOUR		92.40%	



DENISE KARKKAINEN
Principal, Bravura Business
Solutions Inc.
Corporate Director
Age: 55
British Columbia, Canada
Director Since: August 2015
Independent

Ms. Karkkainen has more than 30 years of experience in operations and finance in the commercial real estate industry. Ms. Karkkainen currently serves as a director and Chair of the Finance and Audit Committee, and Chair of the Compensation Committee, of Musqueam Capital Corporation, a privately-owned company which develops the real estate holdings and manages the businesses of the Musqueam First Nation (Vancouver, BC). Before that, she was the Principal of Bravura Business Solutions Inc., a private firm providing governance advisory and strategic project management services; and held executive positions at the IAT Group of Companies, which developed, owned and managed aviation facilities on airports in the US and Canada, and TitanStar Properties Inc. She was previously a founding director and Vice-Chair of the BC Provincial Health Services Authority; Board Chair of the Crown Corporation, Community Living BC; and director of the Greater Vancouver Board of Trade, among others. Ms. Karkkainen holds an ICD.D designation by the Institute of Corporate Directors of Toronto, Ontario.

MEMBER OF	2018 ATTENDANCE	CURRENT PUBLIC COMPANY BOARDS
Board	13/13 100%	None
Audit Committee	4/4 100%	
Human Resources and Compensation Committee	5/5 100%	
Corporate Governance Committee	15/16 94%	

SECURITIES HELD

Common Shares ⁽¹⁾	Deferred Share Units	Options	Value of Equity Holdings (\$) ⁽¹⁾
22,300	6,124	40,000	241,320
2018 VOTES IN FAVOUR		89.98%	



TODD LILLIBRIDGE

President and CEO of TWL Enterprises LLC.

Age: 63

Illinois, USA

Director Since: August 2017

Independent

Mr. Lillibridge brings over 35 years of executive management experience with private and public companies in both commercial and healthcare real estate. His expertise ranges from property investments, debt and equity financing, facility development and property operations and has a keen understanding of the needs of hospitals and healthcare systems in the context of a changing healthcare market. Mr. Lillibridge is President and Chief Executive Officer of TWL Enterprises LLC, a consulting firm focusing on healthcare real estate. Before that he was the Special Advisor to the Chief Executive Officer of Ventas Inc. ("Ventas"), a leading healthcare real estate investment trust; Executive Vice-President of Medical Property Operations at Ventas; and Chief Executive Officer and founder of Lillibridge Healthcare Services Inc. Mr. Lillibridge has a Bachelor's degree with honours from the University of Illinois at Urbana-Champaign and is a member of its Dean's business council. He sits on the boards of Rush University Medical Center, Preferred Podiatry Group, is past Chairman and member of Young Presidents' Organization YPO (Gold Chicago Chapter) and Economic Club of Chicago.

MEMBER OF	2018 ATTENDANCE		CURRENT PUBLIC COMPANY BOARDS
Board	13/13	100%	None
Human Resources and Compensation Committee	5/5	100%	
SECURITIES HELD			
Common Shares	Deferred Share Units	Options	Value of Equity Holdings (\$) ⁽¹⁾
56,000	3,710	–	506,938
2018 VOTES IN FAVOUR		88.98%	



CHRISTINE MCGINLEY

Corporate Director

Age: 60

Alberta, Canada

Director Since: November 2013

Independent

Ms. McGinley is a Chartered Professional Accountant with more than 25 years of senior management experience in the areas of operations, technology and finance. Ms. McGinley currently serves as Director and Chair of the Audit Committee for Alberta Blue Cross; Vice Chair and member of the Governance and Risk Committees for Blue Cross Life; as a trustee, Chair of the Investment Committee and member of the Audit Committee for Northview Apartment REIT, one of Canada's largest multi-family REITs; and Director and member of the Audit Committee and CNG Committee for Mullen Group Ltd., which provides trucking, logistics and oilfield services across North America. Before that, Ms. McGinley was the Senior Vice-President, Operations of Canwest Broadcasting. Ms. McGinley holds a Bachelor of Commerce degree from the University of Alberta and an ICD.D designation by the Institute of Corporate Directors of Toronto, Ontario. She is a member of the Chartered Professional Accountants of Alberta.

MEMBER OF	2018 ATTENDANCE		CURRENT PUBLIC COMPANY BOARDS
Board	13/13	100%	Mullen Group Ltd. (TSE: MTL)
Audit Committee	4/4	100%	Northview Apartment REIT (TSE: NVU.UN)
Corporate Governance Committee	16/16	100%	
SECURITIES HELD			
Common Shares	Deferred Share Units	Options	Value of Equity Holdings (\$) ⁽¹⁾
16,450	6,976	83,200	198,887
2018 VOTES IN FAVOUR		90.61%	



KEVIN O'MEARA

President & CEO, DIRTT

Age: 54

Alberta, Canada

Director Since: September 2018

Not Independent

Mr. O'Meara has over 20 years of experience as an executive in construction-related industries. Immediately prior to joining DIRTT, he was an advisor to several blue-chip private equity firms. Prior to that, Mr. O'Meara was the president and chief executive officer of Atrium Corporation, North America's largest vinyl and aluminum window manufacturer. He was also a co-founder of Builders FirstSource, serving as chief financial officer as well as president and chief operating officer. As president and chief operating officer, Mr. O'Meara was responsible for all of Builders FirstSource's operations and instrumental in growing the company from inception to \$2.4 billion in revenue. Before that, Mr. O'Meara worked as a strategy consultant at Bain & Company, and as a private equity investor at Hicks, Muse, Tate & Furst, and The Sterling Group. Mr. O'Meara holds a Master of Business Administration degree from the Harvard Business School, a Bachelor of Arts degree in economics and a Bachelor of Business Administration degree from Southern Methodist University and is a Certified Public Accountant.

MEMBER OF	2018 ATTENDANCE	CURRENT PUBLIC COMPANY BOARDS
Board	2/2 100%	None

SECURITIES HELD

Common Shares	Deferred Share Units	Options	Value of Equity Holdings (\$) ⁽¹⁾
–	–	2,475,000	–

2018 VOTES IN FAVOUR N/A

(1) The value of equity holding reflects Common Shares and deferred share units and is based on the April 1, 2019 TSX closing price of Common Shares of \$8.49.

(2) Mr. Wayne Boulais is a Managing Member of Apex Management VI, LLC, the General Partner of Apex Venture Partners Fund VI, LP, which owns 3,939,925 Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the Company's current directors or executive officers are, at the date of this Information Circular, or have been, within 10 years prior to the date of this Information Circular, a director, chief executive officer or chief financial officer of a company that:

- while such person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days (an "order"); or
- was subject to an order that was issued after that person ceased to be a director, chief executive officer or chief financial officer of the relevant company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the Company's directors or executive officers have been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Other than as described below, none of the Company's directors or executive officers:

- is, at the date of this Information Circular, or have been, within 10 years prior to the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that

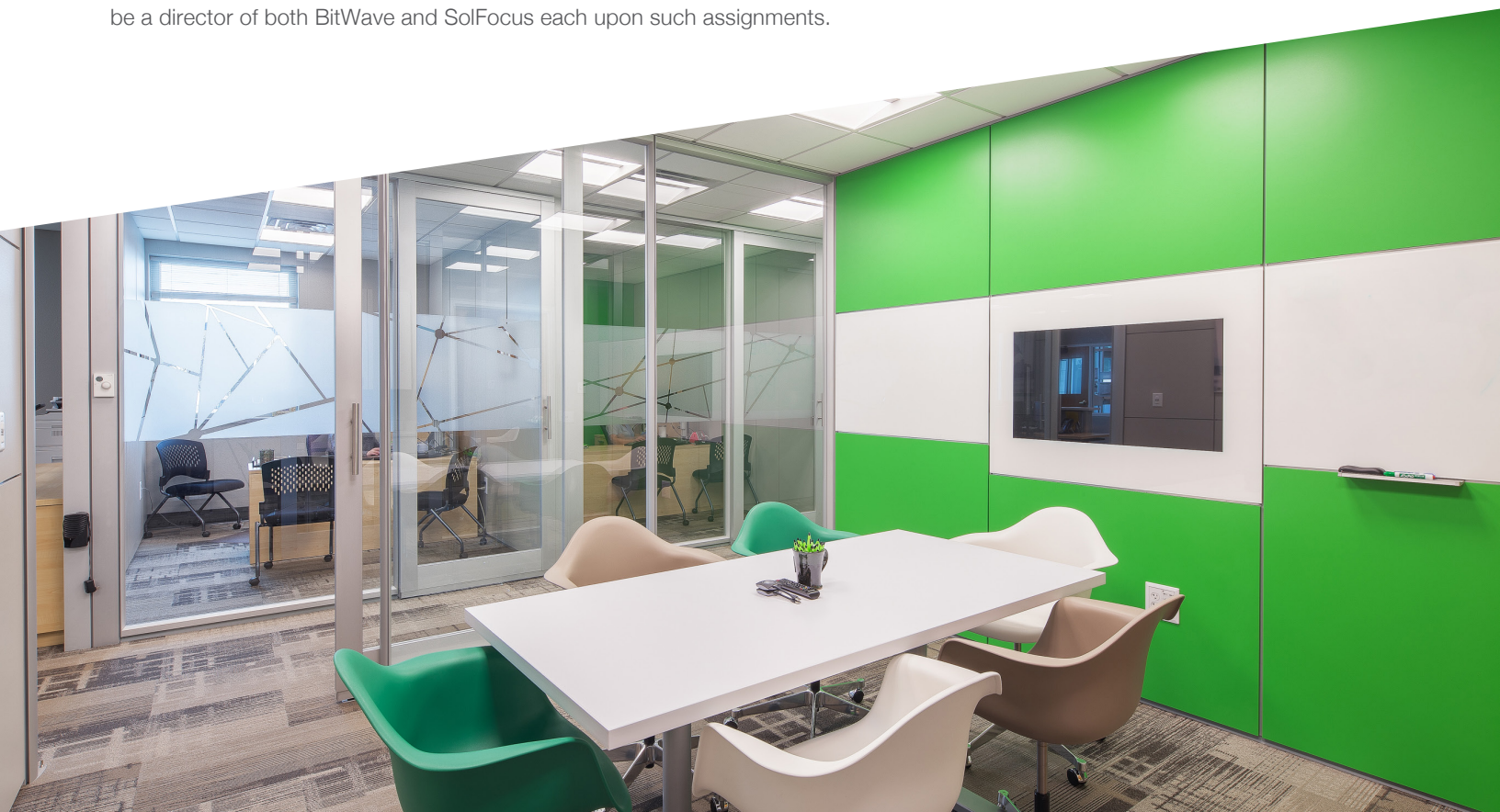
person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- b. has, within 10 years prior to the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer, as applicable.

Mr. Parry was elected as a director of Energy and Power Solutions, Inc. ("EPS") in 2007 as the designee of NGEN Partners. EPS provided energy efficiency solutions to the industrial market. In September 2011, EPS filed for bankruptcy protection pursuant to Chapter 11 of the United States Bankruptcy Code. Mr. Parry ceased to be a director of EPS in June 2011 and, in January 2012, EPS entered into settlement agreements with NGEN Partners to, among other things, release past and current officers, directors, employees and agents of NGEN Partners. In addition, Mr. Parry was elected as a director of Tioga Energy, Inc. ("Tioga") and SolFocus, Inc. ("SolFocus") as the designee of NGEN Partners. Tioga and SolFocus were providers of photovoltaic solar systems. Tioga and SolFocus conducted an assignment for the benefit of creditors in April 2013 and May 2013, respectively, and Mr. Parry ceased to be a director of both Tioga and SolFocus each upon such assignments.

Ms. McGinley was the Senior VP, Operations of Canwest Broadcasting until October 2010. In October 2009, Canwest Broadcasting, along with its principal operating subsidiary Canwest Media Inc., and certain other related entities (including the over-the-air networks and specialty cable channels and the National Post), voluntarily filed for creditor protection from bankruptcy under the Companies' Creditors Arrangement Act (Canada) (the "CCAA"). An order was successfully obtained from the Ontario Superior Court of Justice (Commercial Division) commencing proceedings under the CCAA on October 6, 2009. Canwest Broadcasting successfully emerged from CCAA in October 2010 and was acquired by SHAW Communications.

Mr. Boulais was elected as a director of BitWave Semiconductor, Inc. ("BitWave") and SolFocus as the designee of Apex. BitWave was a fabless radio frequency semiconductor company and SolFocus was a provider of photovoltaic solar systems. BitWave and SolFocus conducted an assignment for the benefit of creditors in May 2010 and May 2013, respectively, and Mr. Boulais ceased to be a director of both BitWave and SolFocus each upon such assignments.



Director Compensation

The Corporate Governance Committee assists the Board in establishing the Company's compensation program for its directors. The main objectives of the directors' compensation program are to:

- attract and retain the qualified individuals to serve on the Board and its committees;
- compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in Board and committee membership, and competitive with other comparable issuers; and
- align the interests of the directors with the shareholders.

The Board sets director compensation based on the recommendations of the Corporate Governance Committee. Unlike compensation for executive officers, the directors' compensation program is not designed to pay for performance; rather, directors receive retainers for their services in order to foster unbiased decision-making.

The Corporate Governance Committee periodically engages the services of independent compensation consultants to provide market data and trends on director compensation. In 2017, the Corporate Governance Committee engaged Hugessen Consulting to evaluate and provide recommendations on compensation for non-executive directors. As part of the engagement, Hugessen Consulting developed a group of peer companies from which they extracted and evaluated director compensation data. The peer group included the following companies¹:

Proto Labs, Inc.	Sierra Wireless, Inc.	Kimball International, Inc.	Electrovaya Inc.
Evertz Technologies Limited	Knoll, Inc.	Ballard Power Systems Inc.	Vecima Networks Inc.
Magellan Aerospace Company	NCI Building Systems, Inc.	PGT Innovations, Inc.	

No changes were made to director compensation in 2018. The Company will continue to evaluate its director compensation, including the relevant peer group, on a periodic basis.

COMPENSATION LEVELS

Non-executive directors are compensated by annual retainer, payable in cash and equity. The equity component is currently in the form of deferred share units ("DSU"s) under the Company's Deferred Share Unit Plan for Non-Employee Directors ("DSU Plan"). Director compensation levels are set with reference to the 50th percentile of our peers.

The base annual retainer for directors is \$100,000, with the Board Chair receiving an annual retainer of \$150,000. The Audit Committee Chair is paid an annual retainer of \$15,000 and members of the Audit Committee are paid an annual retainer of \$7,500. The Chairs of the Human Resources and Compensation Committee and Corporate Governance Committees are each paid an annual retainer of \$10,000 and members of those committees are paid annual retainers of \$5,000. Directors do not receive fees for attending meetings of the Board or standing committees; however, directors may be compensated for additional committee work as approved by the Board from time to time. Executive directors do not receive any compensation for their services as directors.

Beginning in the fourth quarter of 2018², non-executive directors receive at least 50% of their annual retainers in the form of DSUs and may elect to receive up to 100% of such retainers in DSUs.

The Company also reimburses the directors for travel and other out-of-pocket expenses for their services as directors.

¹ Pure Technologies Ltd. and Avigilon Company were initially included in the peer group but have since been acquired. Lumenpulse Group was also included but since became a private company.

² The Board intended this program to be in effect at the beginning of 2018. However, the Company was in an extended trading blackout during most of the year and was therefore unable to award DSUs until the fourth quarter. All non-executive directors received a minimum of 50% of their Q4 2018 retainer in DSUs and certain directors elected to receive 100% of their Q4 2018 retainer in DSUs. Going forward, all non-executive directors will receive a minimum of 50% of their annual retainer in DSUs and some non-executive directors may elect to receive up to 100% of their total retainer in DSUs.

DEFERRED SHARE UNIT PLAN

The Board adopted and approved the DSU Plan as part of the Company's transition away from stock options for its non-executive directors. DSUs are notional units which have the same value as the Common Shares. Under the plan, non-executive directors will be credited a minimum of 50% of their annual retainer, and may elect to receive up to 100% of their annual retainer, in DSUs quarterly. The number of DSUs granted quarterly is determined using the 5-day weighted average trading price of the Common Shares prior to each grant date.

Each DSU entitles the holder, upon resignation, death or retirement from the board, to receive a cash payment equal to the 5-day weighted average trading price of the Common Shares prior to settlement.

SHARE OWNERSHIP GUIDELINES

In 2016, the Board approved share ownership guidelines for non-executive directors. These guidelines are intended to help align the interests of directors with those of shareholders, and to demonstrate the commitment of directors to the long-term success of the Company.

Effective August 2, 2017, each non-executive director is required to reach an equity ownership target equal to three (3) times his or her annual base retainer. Directors have five years from the date of appointment to accumulate the required ownership (or five years from January 1, 2016 for directors appointed prior to that time). Directors who have not achieved the required ownership at the end of the five-year period will receive 100% of their respective annual retainer in Common Shares until the ownership level is attained. The value of shares held for the purpose of the ownership requirements will be the higher of (i) the acquisition price of such Common Shares and (ii) the current market price of the such Common Shares. DSUs count towards the share ownership requirements.

The following table shows equity ownership and market value of equity owned by each non-executive director at December 31, 2018 and 2017, each director's target amount, target date and ownership requirement status.

DIRECTOR EQUITY OWNERSHIP

Director	Year ⁽¹⁾	Common Shares	DSUs	Value of Equity Ownership (\$) ⁽²⁾	Target Amount Target Date Status
Steve Parry	2018	18,100	6,466	150,098	\$450,000
	2017	18,100	0	121,994	January 1, 2021 In progress
Denise Karkkainen	2018	22,300	4,310	162,587	\$300,000
	2017	21,400	0	144,236	January 1, 2021 In progress
Christine McGinley	2018	16,450	4,310	126,844	\$300,000
	2017	16,450	0	110,873	January 1, 2021 In progress
Wayne Boulais	2018	37,500	2,155	242,292	\$300,000
	2017	30,000	0	202,200	January 1, 2021 In progress

Director	Year ⁽¹⁾	Common Shares	DSUs	Value of Equity Ownership (\$) ⁽²⁾	Target Amount Target Date Status
Richard J. Harray	2018	5,000	2,155	43,717	\$300,000
	2017	5,000	0	33,700	November 8, 2021 In progress
Todd Lillibridge	2018	56,000	2,155	355,327	Ownership Target Met
	2017	56,000	0	377,440	
Jack Elliot	2018	15,400	2,155	107,261	\$300,000
	2017	–	–	–	April 14, 2023 In progress
Ron Kaplan	2018	0	2,155	13,167	\$300,000
	2017	–	–	–	April 14, 2023 In progress

(1) The number of Common Shares and DSUs held by each director for 2018 is set out as at December 31, 2018, and for 2017, is set out as at December 31, 2017.

(2) For 2018, the total value is based on the higher of acquisition price and the December 31, 2018 TSX closing price of Common Shares of \$6.11. For 2017, the total value is based on the higher of the acquisition price and the December 31, 2017 TSX closing price of Common Shares of \$6.74.



COMPENSATION TABLE

The following table sets out the compensation earned by non-executive directors for the year ended December 31, 2018.

Director	Fees Earned (\$) ⁽¹⁾	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽¹⁾	All other Compensation (\$)	Total Compensation (\$)
Wayne Boulais	143,000	12,500	-	-	155,500
Gregory F. Burke ⁽²⁾	48,901	-	-	-	48,901
John F. (Jack) Elliott ⁽³⁾	66,782	12,500	-	-	79,372
Lawrence D. Fairholm ⁽⁴⁾	33,563	-	-	-	33,563
Richard J. Haray	123,500	12,500	-	-	136,000
Ronald Kaplan ⁽³⁾	80,000	12,500	-	362,796 ⁽⁵⁾	455,296
Todd Lillibridge	147,500	12,500	-	-	160,000
Denise Karkkainen	219,000	25,000	-	-	244,000
Christine McGinley	106,000	25,000	-	-	131,000
Steve Parry	143,500	37,500	-	-	181,000

(1) This includes annual retainers as well as additional compensation for special committee work undertaken by directors and approved by the Board. In 2018, the Board established a special committee in response to an inbound transaction proposal and an ad hoc committee to oversee the management transition. The Board also assigned a special mandate to the Corporate Governance Committee to conduct a corporate governance review and address shareholder concerns; under this mandate, among other things, the Corporate Governance Committee oversaw the response to, and ultimate settlement with, Iron Compass LLC and Iron Compass GP LLC ("Iron Compass").

(2) Mr. Burke ceased to be a director effective June 26, 2018.

(3) Messrs. Elliott and Kaplan became directors effective April 14, 2018.

(4) Mr. Fairholm ceased to be a director effective April 14, 2018.

(5) Mr. Kaplan provided advisory and consulting services to the Company in connection with the management transition under a separate agreement.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The following table sets forth information with respect to the number and value of outstanding options granted to non-executive directors under the Option Plan as at December 31, 2018, which includes all options granted prior to January 1, 2019.

Director	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Wayne Boulais	15,000	5.76	Nov. 21, 2021	5,250		–	13,167
	25,000	6.10	Aug. 16, 2020	250			
Gregory F. Burke	–	–	–	–	–	–	–
John F. (Jack) Elliott	–	–	–	–	–	–	–
Lawrence D. Fairholm	–	–	–	–	–	–	–
Richard J. Haray	25,000	5.76	Nov. 21, 2021	8,750	–	–	13,167
Ronald Kaplan	–	–	–	–	–	–	13,167
Denise Karkkainen	15,000	5.76	Nov. 21, 2021	5,250	–	–	26,334
	25,000	6.10	Aug. 16, 2020	250			
Todd Lillibridge	–	–	–	–	–	–	13,167
Christine McGinley	15,000	5.76	Nov. 21, 2021	5,250	–	–	26,334
	25,000	6.10	Aug. 16, 2020	250			
	25,000	3.59	Jun. 30, 2019	63,000			
	18,200	2.93	Jun. 6, 2019	57,876			
Steve Parry	15,000	5.76	Nov. 21, 2021	5,250	–	–	39,507
	25,000	6.10	Aug. 16, 2020	250			
	25,000	3.59	Jun. 30, 2019	63,000			

(1) Based on the December 31, 2018 TSX closing price per Common Share of \$6.11.

INCENTIVE PLAN AWARDS

The following table sets forth information with respect to the incentive plan awards to non-executive directors as of the year ended December 31, 2018.

Director	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$) ⁽²⁾
Wayne Boulais	8,216	13,167
Gregory Burke	4,416	-
John F. (Jack) Elliott	-	13,167
Lawrence Fairholm	-	-
Richard J. Haray	6,333	13,167
Ronald Kaplan	-	13,167
Denise Karkkainen	8,216	26,334
Todd Lillibridge	-	13,167
Christine McGinley	8,216	26,334
Steve Parry	8,216	39,507

(1) Calculated as the number of options vested during the year multiplied by the difference between the TSX closing price of Common Shares on the vesting date less the exercise price of the vested options.

(2) Calculated as the number of deferred share units granted during the year multiplied by the TSX closing price of Common Shares at December 31, 2018.



Corporate Governance

The Board is committed to the highest standards of corporate governance practices. The Board believes that this commitment is not only in the best interest of shareholders but that it also promotes effective decision-making at the Board level. In establishing its corporate governance practices, the Board has been guided by National Policy 58-201 - *Corporate Governance Guidelines*, National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") and consideration of corporate governance trends in Canada and the United States.

BOARD OF DIRECTORS

Independence of Directors

The Board currently consists of the following nine directors: Messrs. Parry (Board Chair), Boulais, Elliott, Haray, Kaplan, Lillibridge and O'Meara; and Mss. Karkkainen and McGinley. With the exception of Messrs. O'Meara and Kaplan, all directors are considered by the Board to be independent within the meaning of NI 52-110. As such, a majority of the directors are independent within the meaning of NI 52-110. Additional information about each of the directors can be found in the section "DIRTT's Director Nominees".

Mr. O'Meara is the President & CEO of the Company and is not independent within the meaning of NI 52-110. In 2018, Mr. Kaplan provided advisory and consulting services to the Company in connection with the management transition and received fees of \$362,796³. He is therefore not independent within the meaning of NI 52-110.

Board Mandate

The Board is responsible for the stewardship of the Company which includes satisfying itself as to the integrity of the Chief Executive Officer and other executive officers; developing and adopting a strategic planning process; identifying the principal risks of the Company's business and ensuring implementation of systems to manage these risks; ensuring that the Company has appropriate succession planning in place; adopting a communication policy; ensuring that the Company has internal control and management information systems; and developing the Company's approach to corporate governance.

The Board has developed a written Board Mandate which is attached as **Appendix "E"** to this Information Circular.

Majority Voting Policy

As set forth in the enclosed proxy form, shareholders may vote "for" or "withhold" their vote for each director nominee. In accordance with the Board's Majority Voting Policy included in the Board Mandate attached as Appendix "E" to this Information Circular, if any director nominee receives a greater number of votes "withheld" from his or her election than votes "for" such election, such nominee will submit his or her offer of resignation to the lead director or Chair of the Board. The Corporate Governance Committee will review such resignation offer and make a recommendation to the Board of whether or not to accept it. The Corporate Governance Committee is expected to recommend acceptance of the resignation offer to the Board, and the Board is expected to accept such recommendation and resignation offer, except in situations where exceptional circumstances would warrant the director nominee continuing to serve on the Board. The director nominee will not participate in any deliberations of the Corporate Governance Committee or the Board with respect to his or her resignation offer. Within 90 days of receiving the resignation offer, the Board will make a decision and issue a press release announcing whether they have accepted or rejected the director nominee's resignation, a copy of which will be provided to the TSX. The resignation will be effective when accepted by the Board. The Majority Voting Policy does not apply to contested elections in which the number of director nominees for election is greater than the number of director positions on the Board.

Position Descriptions

The Board has developed written position descriptions for the Board Chair and the President and Chief Executive Officer. The Board has not developed separate written position descriptions for the chair of each Board committee. Instead, the Board has adopted written charters for each Board committee which outline chair responsibilities. The position descriptions and Committee Charters are available on the Company website at www.dirtt.net.

³ This corresponds to fees earned of USD \$280,000, converted using the average F/X rate for 2018 of 1.2957.

COMMITTEES OF THE BOARD

The Board has three standing committees; the Audit Committee, the Human Resources and Compensation Committee and the Corporate Governance Committee. The Board may from time to time create ad hoc committees with special mandates as circumstances require or warrant. The following are descriptions of the standing committees and their current membership.

Audit Committee

Chair: Christine McGinley

Members: Wayne Boulais and Denise Karkkainen

The Board has determined that all of the members of the Audit Committee are independent and financially literate as such terms are defined by NI 52-110. The Board has developed a written charter setting forth the responsibilities, powers and operations of the Audit Committee. The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to:

- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements related to financial reporting;
- the qualifications, independence and performance of the Company's auditor; and
- the design, implementation and maintenance of internal controls and disclosure controls.

The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to determine the compensation of such advisors. The Audit Committee meets at least four times annually.

Further information relating to the Audit Committee can be found under the heading "Audit Committee" in the Company's Annual Information Form for the year ended December 31, 2018 and filed on SEDAR at <http://www.sedar.com>.

Human Resources and Compensation Committee

Chair: Steve Parry

Members: John F. (Jack) Elliott, Richard J. Haray, Denise Karkkainen and Todd Lillibridge

The Board has determined that all of the members of the Human Resources and Compensation Committee are independent as such term is defined by NI 52-110. The Board has developed a written charter setting forth the responsibilities, powers and operations of the Human Resources and Compensation Committee. The Human Resources and Compensation Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to:

- the selection and retention of senior management and succession planning;
- the compensation of senior management;
- professional development for senior management; and
- the management of benefit plans for employees.

The Human Resources and Compensation Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to determine the compensation of such advisors. The Human Resources and Compensation Committee meets at least twice annually. All members of the Human Resources and Compensation Committee have expertise and extensive experience in compensation and other human resource areas.

Corporate Governance Committee

Chair: Denise Karkkainen

Members: John F. (Jack) Elliott and Christine McGinley

The Board has determined that all of the members of the Corporate Governance Committee are independent as such term is defined by NI 52-110. The Board has adopted a written charter setting forth the responsibilities, powers and operations of the Corporate Governance Committee. The Corporate Governance Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to:

- the Company's overall approach to corporate governance;
- the identification, nomination and appointment of directors;
- the size, composition and structure of the Board and its committees;
- orientation and continuing education for directors; and
- related party transactions and other matters involving conflicts of interest.

The Corporate Governance Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to determine the compensation of such advisors. The Corporate Governance Committee meets at least twice annually.

DIRECTOR TERM LIMITS AND OTHER MECHANISMS OF BOARD RENEWAL

The Board has not established term limits for directors and believes such limits can result in the loss of valuable, experienced directors solely on the basis of age or length of service. Under the leadership of the Corporate Governance Committee, an annual performance assessment process is in place to ensure adequate Board renewal. This annual process evaluates the tenure and performance of individual directors and reviews the composition and effectiveness of the Board and its committees. Assessments include, among other things, a skills matrix which helps the Corporate Governance Committee and the Board assess whether the Board possesses the appropriate experience, expertise and business and operational insight for the effective stewardship of the Company. The Corporate Governance Committee also conducts an annual confidential survey of each director regarding his or her views on the effectiveness of the Board, its committees and the Chair. Recommendations resulting from the survey are also used to enhance Board composition and improve Board effectiveness. Using this approach, the Board recruited five new, independent directors during the period 2013 – 2017, each of whom were targeted for specific skills and experience relevant to Board functioning and oversight of the Company.

DIRECTOR SKILLS MATRIX

As discussed above, the Corporate Governance Committee believes that our Board's membership should represent a diversity of backgrounds, experience and skills. To this end, the Corporate Governance Committee has established a skills matrix outlining the skills and experiences which they believe are most relevant for the Company. This process informs the Board's succession planning process by identifying any gaps in the competencies required. The skills matrix is reviewed annually by the Corporate Governance Committee and updated as necessary.

Director	Tenure	Enterprise Leader- ship	Capital Markets and M&A	Finance/ Audit	Board Govern- ance	Human Resourc- es	Legal	Manu- facturing	Con- struction	Tech- nology	Sales/ Distribu- tion	Health- care (Facili- ties)	Commercial Real Estate (Facilities)
Steve Parry	2011	•	•	•	•	•		•		•			
Wayne Boulais	2015	•	•	•						•	•		
John F. (Jack) Elliott	2018	•	•	•	•	•			•	•	•		
Richard J. Haray	2016	•	•			•	•		•		•		•
Ronald Kaplan	2018	•	•	•	•	•		•	•		•		
Denise Karkkainen	2015	•		•	•	•			•			•	•
Todd Lillibridge	2017	•	•	•	•	•			•		•	•	•
Christine McGinley	2013	•	•	•	•	•		•		•	•		
Kevin O'Meara	2018	•	•	•	•	•		•	•		•		

OTHER DIRECTORSHIPS

The Board does not believe that directors should be prohibited from serving on the boards of other companies, so long as these commitments do not materially interfere or are compatible with their ability to fulfil their duties as directors of the Company. The Board has established the following guidelines in this regard:

- directors are required to advise the Board Chair in advance of accepting an invitation to serve on the board of another company;

- directors may not serve on the Board if they are on more than four public company boards;
- directors may not serve on the board of a direct competitor of the Company;
- directors may not serve on a board on which two or more other directors of the Company serve;
- directors who serve as the chief executive officer of a public company may not serve on the Board if they are on more than one other public company board; and
- members of the Audit Committee may not serve on the audit committees of more than two other public companies without prior approval of the Board.

Information regarding each director's participation in other reporting issuers is contained in the section "DIRTT's Director Nominees".

BOARD AND COMMITTEE MEETINGS

The following table shows the record of attendance by current director at Board and committee meetings for the year ended December 31, 2018.

Director	Board	Audit Committee	Human Resources and Compensation Committee	Corporate Governance Committee	Total Attendance ⁽³⁾
Wayne Boulais	12/13	4/4	-	-	16/17 (94%)
John F. (Jack) Elliott ⁽¹⁾	8/8	2/2	4/4	3/3	17/17 (100%)
Richard J. Haray	13/13	-	5/5	-	18/18 (100%)
Ronald Kaplan ⁽¹⁾	8/8	-	-	-	8/8 (100%)
Denise Karkkainen	13/13	4/4	5/5	15/16	37/38 (97%)
Todd Lillibridge	13/13	-	5/5	-	18/18 (100%)
Christine McGinley	13/13	4/4	-	16/16	32/32 (100%)
Steve Parry	13/13	-	-	15/16	28/29 (97%)
Kevin O'Meara ⁽²⁾	2/2	-	-	-	2/2 (100%)

(1) Messrs. Elliott and Kaplan were appointed to the Board on April 14, 2018.

(2) Mr. O'Meara was appointed to the Board on September 10, 2018.

(3) There were additional meetings of the special transaction committee, including meetings with legal and financial advisors and prospective purchasers. There were also additional meetings of the committee overseeing the management transition, including meetings with legal and communications advisors. These meetings are not included in the above table.

The Board and its committees conduct in-camera sessions at the end of each meeting, at which no executive directors or members of management are present. The in-camera sessions are intended to encourage the Board and its committees to fully and independently fulfill their mandates or charters, and to facilitate the performance of the fiduciary duties and responsibilities of the Board and its committees on behalf of shareholders.

ORIENTATION AND CONTINUING EDUCATION

The Corporate Governance Committee, with the assistance of the President and CEO, develop and oversee the execution of a comprehensive orientation and continuing education program for all directors of the Company and its subsidiaries. Orientation programs required to on-board new directors are tailored to the needs and areas of expertise of the individual and will focus on providing new directors with:

- information about the duties and obligations of directors;
- information about the Company's business and operations;
- the expectations of directors;

- opportunities to meet with management and tour Company facilities; and
- access to relevant documents from recent Board meetings.

Continuing education sessions and plans for the Board will ensure that directors are kept informed as to matters impacting, or which may impact, the Company's strategies, major risks and/or operations.

CODE OF CONDUCT

The Board has developed a code of conduct – The DIRTT Code: Our Way of Doing Business (the “**Code**”) – which encourages and promotes a culture of ethical business conduct and is applicable to directors, officers, employees, and contractors of the Company. A complete copy of the Code is available on our website at www.dirtt.net. The Code addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of the Company's assets, compliance with applicable laws, rules and regulations (including insider trading laws) and the reporting of illegal or unethical behavior. All directors, officers, employees and contractors are required to report violations of the Code in accordance with the procedures set forth therein and in the Company's Integrity Program. The Integrity Program also promotes, among other things, the disclosure and reporting of any questionable accounting or auditing matters, or fraudulent or misleading financial information.

The Corporate Governance Committee is mandated to monitor compliance with the Code and to periodically review and assess the Code to ensure that it addresses the appropriate matters, complies with regulatory requirements and meets evolving best practices. Changes to the Code are made by the Board upon recommendation of the Corporate Governance Committee.

Employees are required to sign an acknowledgement upon hire and annually certify that they have read and understood the Code and agreed to abide by it.

In accordance with the Code and the ABCA, each director must disclose all actual or potential conflicts of interest and refrain from voting on matters in which such director has a conflict of interest. In addition, the director must excuse himself or herself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest. Directors, officers, employees and contractors are encouraged to terminate any relationship or interest that gives rise to a conflict of interest that cannot be resolved. In addition, directors, officers, employees and contractors are encouraged to disclose all opportunities to dispose of conflicting interests before any difficulty arises.

The Corporate Governance Committee will make recommendations to the Board of Directors regarding all proposed related party transactions and situations involving any potential conflict of interest that is not required to be dealt with by an “independent special committee” pursuant to applicable securities legislation.

The Board has also developed a Disclosure and Insider Trading Policy for its directors, officers, employees, and contractors. The Disclosure and Insider Trading Policy promotes consistent disclosure practices and proper trading practices, in accordance with applicable securities legislation.

STAKEHOLDER ENGAGEMENT POLICY

The Board, acting on the recommendation of the Corporate Governance Committee, has adopted a Stakeholder Engagement Policy to promote open and sustained dialogue with the Company's stakeholders. The policy is consistent with the Company's Disclosure and Insider Trading Policy and its obligations to provide timely disclosure and maintain effective disclosure controls and procedures. A copy of our Stakeholder Engagement Policy can be found on our website at www.dirtt.net.

As part of our commitment to ongoing shareholder communication and engagement, the Company communicates with our shareholders through a variety of channels including its:

- Quarterly and annual disclosure
- News releases and earnings conference calls
- Website, presentations and industry conferences
- Engaging in proactive shareholder outreach

Details of our quarterly conference calls and other corporate information are posted at the Company's website at www.dirtt.net.

We encourage our shareholders to contact the Board to discuss our approach to executive pay, corporate performance and governance. To request a meeting with any director, including the Board Chair, the independent directors as a group, the Board or any Board committee (if applicable), please email or deliver a sealed envelope marked "Confidential" to:

Email: board@dirtt.net

DIRTT Environmental Solutions Ltd.

7303 – 30th Street S.E.

Calgary, AB

Canada T2C 1N6

Attention: Corporate Secretary

NOMINATION OF DIRECTORS

The Board is committed to a process of ongoing board development and renewal to ensure the Board as a whole, can add maximum value to the current and long-term goals of the Company. The Corporate Governance Committee is composed entirely of independent directors and is mandated by the Board to identify and assess potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. The Corporate Governance Committee consults with directors, representatives in relevant industries and other stakeholders for possible candidates, and works with external advisors as needed to identify and maintain a pipeline of qualified potential directors for planning purposes. Between 2013 and 2017, five new directors joined the Board as part of this ongoing process, all of whom have been independent and each of whom added specific skills and experience targeted by the Board and Company. In 2018, the Board welcomed two additional directors as part of a settlement with Iron Compass⁴. Both directors added valuable skills and experience to the Board. Corporate Governance Committee discussions regarding potential Board candidates are generally held in-camera.

DIVERSITY AND THE REPRESENTATION OF WOMEN

The Corporate Governance Committee and Board monitor governance developments in Canada and the United States, including those relating to diversity. We support the objectives of increasing diversity and, in particular, the representation of women on the Board and in senior management positions.

To this end, the Company adopted a formal diversity and inclusion policy in 2019. The policy outlines the principles that guide the Board and Corporate Governance Committee in considering director candidates and senior management appointments. These principles include, among other things; directing independent advisors engaged to assist in recruitment efforts for board and senior management positions to include diverse candidates generally and, in particular, require that at least 50% of the candidates presented for board positions be qualified women and that a meaningful number of female candidates be presented for senior management positions; and that candidates will be considered on the basis of merit, while giving due consideration to diversity criteria.

The Corporate Governance Committee and the Board are also responsible for establishing measurable objectives for achieving gender diversity and annually assessing the Company's achievement against diversity objectives. The Board has established an objective to have 30% female representation on the Board by 2022. Currently, there are two women on the Board (representing 22% of the Board) and two of four leadership roles on the Board are held by women. The Company is also aiming to have a meaningful representation of women in senior management positions. Currently, there is one woman in a senior management position (representing 17% of senior management).

We recognize the importance of diversity and believe that the Company is strengthened by advancing women in leadership roles. In this regard, we are actively reviewing our hiring, professional development and other business practices to ensure that they are effective in promoting diversity. By doing so, we believe the Company's Board and senior leadership will be armed with a broad range of perspectives, experience and expertise that is better positioned to provide effective stewardship and fulfill their duties to the Company, its employees and stakeholders. A copy of our Diversity and Inclusion Policy can be found on our website at www.dirtt.net.

⁴ A copy of the settlement agreement is available on SEDAR at www.sedar.com

ASSESSMENTS

The Corporate Governance Committee has responsibility for ensuring that there is an annual process in place for evaluating the effectiveness and contribution of the Board, its committees and the individual directors. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement. In addition to any other matters the Board deems relevant, the assessments will consider in the case of the Board or a committee, the applicable terms of reference, as well as the competencies and skills each individual director is expected to bring to the Board.



Statement of Executive Compensation

DEAR SHAREHOLDER:

On behalf of the Board and the Board's Human Resources and Compensation Committee, we are pleased to share our philosophy and approach to executive compensation. The Board believes compensation programs and the related governance practices are cornerstones for aligning execution of long-term strategy and the interests of shareholders. In 2016 and 2017, the Human Resources and Compensation Committee and the Board undertook a comprehensive review of compensation practices in order to align with good market practice and our high-growth profile as a disruptor in the construction industry. Pay programs continued to evolve in 2018 in order to attract and retain the talent needed to execute the Company's renewed focus, which has been elaborated upon below.

2018 Overview

2018 began as a year of transition, but we believe DIRTT is now at an inflection point in its history.

In January, Michael Goldstein was brought in as the Interim President and CEO, and Peter Henry was brought in as the Interim CFO. The Board appointed the Interim CEO and CFO while the Board conducted its formal search for a permanent CEO and a management team equipped to lead the Company to long-term growth and value creation. Compensation for the interim leadership team was tied to objectives that supported this transition, including a review of the Company's strategy and operations and SG&A costs. In June, the Board concluded its search for a CFO and appointed Geoff Krause in that role.

On September 10, 2018, Kevin O'Meara joined the Company as President & Chief Executive Officer, and a director of the Company's Board of Directors. Mogens Smed, founder and Executive Chair, departed the Company on September 10, 2018.

Mr. O'Meara brings to DIRTT his leadership, business acumen and extensive operating experience in the building products industry. His experience building customer-focused organizations and success gaining market share align closely with DIRTT's culture and philosophy. Mr. O'Meara is keenly focused on driving value for all stakeholders: employees, customers, distribution partners, and shareholders. Under his direction, the leadership team has initiated a comprehensive review of DIRTT solutions, operations, key markets and investment targets, and is driving forward to meet those objectives.

The year ended with strong financial performance on key metrics, including revenue, adjusted EBITDA, adjusted gross profit and adjusted SG&A, representing an increase from the prior year. Pay outcomes for 2018 are reflective of the growth in the Company's performance, with short-term incentive payouts ranging from 122-133% of target (61%-133% of NEO base salary) and long-term incentives awarded at target with opportunity for above-target payouts.

Evolving Pay Programs to Attract the "Leading Edge" Talent

The Company's approach to executive compensation is structured to support its goal of achieving disruptive innovation in the interior construction industry, while providing sustainable value to shareholders. The Board recognizes the importance of linking executive pay to both the execution of DIRTT's business plan and our commitment to delivering strong returns to our shareholders. In 2017, the Human Resources and Compensation Committee reviewed executive pay levels and determined a need to refine the executive target pay mix to better reflect market practice. As a result, the Human Resources and Compensation Committee implemented a transition plan to shift a greater portion of total pay into equity compensation, strengthening the alignment of long-term interests between executives and shareholders of the Company.

To this end, the Board determined that modifications were needed to the Company's approach to equity compensation for its Chief Executive Officer in order to support the Company's refined strategic focus and growth trajectory, as described above. The Board granted to Mr. O'Meara an upfront award of performance stock options upon hire, representing three years of equity compensation, whereby payouts occur over time and in the event of share performance in order to reposition our Company for profitable growth and strong earnings. The Board believes that this program for the CEO will better position our Company to achieve its goal of

leading disruptive innovation in the interior construction industry, while providing meaningful growth and sustainable value creation for DIRTT shareholders.

The compensation program for all other executives is being reviewed to ensure alignment across the organization, with the Company's short and long-term business plan, and with the Company's shareholders.

The Way Forward

We continue to strive to improve our corporate governance to reflect best practices and improve our disclosure for our shareholders to better communicate our executive compensation programs and the rationale behind our pay decisions. We are confident that recent changes within our compensation programs and related governance practices will enhance the alignment between pay and performance, demonstrating our commitment to value creation. We welcome shareholder feedback in our approach to executive compensation. Please email any questions or comments to board@dirtt.net.

Submitted by the Human Resources and Compensation Committee



Compensation Discussion and Analysis

INTRODUCTION

This Compensation Discussion and Analysis explains the Company's philosophy, objectives and processes regarding compensation of named executive officers ("NEO"). For the year ended December 31, 2018, the Company had the following NEOs:

Kevin O'Meara	President and CEO (effective September 10, 2018)
Michael Goldstein	Interim President and CEO (January 2 – September 10, 2018)
Geoff Krause	Chief Financial Officer (effective June 4, 2018)
Peter Henry	Interim Chief Financial Officer (January 2 – June 4, 2018)
Mogens Smed	Executive Chairman (until September 10, 2018)
Tracy Baker	Chief Operating Officer ⁽¹⁾
Geoff Gosling	Vice President, Product Development ⁽²⁾
Barrie Loberg	Vice President, Software Development ⁽¹⁾

(1) Ms. Baker and Mr. Loberg departed the Company on January 15, 2019.

(2) Effective January 15, 2019, Geoff Gosling has been moved to the position of Director of Innovation.

COMPENSATION PHILOSOPHY AND OBJECTIVES

The primary objectives of the Company's compensation program are:

- to attract and retain talented and experienced executive officers;
- to motivate and reward executive officers whose knowledge, skills and performance are critical to DIRTT's success;
- to encourage executive officers to manage DIRTT's business to meet its long-term objectives; and
- to align the interests of executive officers and shareholders by motivating executive officers to increase shareholder value and reward executive officers when shareholder value increases.

When determining levels of compensation each year, the Board considers individual experience and performance, level of responsibility, skills and experience, and other compensation awards or arrangements.

As a publicly-traded, technology-driven manufacturer of highly-customized interiors, we have few peers that are directly comparable. The Human Resources and Compensation Committee, with the support of its independent consultant Hugessen Consulting, established a comparator group of companies within the manufacturing and/or development space with a focus on integrated technology, operating in North America with similar-sized revenues, to assist in setting executive pay levels. In 2017, the Human Resources and Compensation Committee reviewed executive compensation relative to our peer group which included the companies in the table below.⁵

Exco Technologies Limited	Hammond Mfg. Co. Ltd.	Proto Labs – USA	Tree Island Steel Ltd.
AirBoss of America Corp.	Westport Innovations	Aspen Aerogels – USA	Supremex Inc.
Evertz Technologies Limited	ZCL Composites Inc.	Richards Packaging Income Fund	

⁵ Logan International Inc. and Avigilon Company were initially included in the peer group but each has since been acquired.

The Human Resources and Compensation Committee also references third party surveys in determining the appropriate range of pay for each of our executives.

DIRTT attracts people who understand our vision of building better and the need to constantly innovate to stay ahead of the rapidly evolving industry. Our compensation programs are designed to attract and retain the best in the business to achieve our high-growth strategies.

No changes were made to the peer group and target compensation in 2018. A revised peer group will be established as part of the overall review of executive compensation for 2019.

COMPENSATION PROCESS

The Human Resources and Compensation Committee assists the Board in fulfilling its oversight responsibilities with respect to compensation matters. Compensation for the Company's President and Chief Executive Officer is recommended by the Human Resources and Compensation Committee to the Board, for the Board's ultimate approval. Compensation for the Company's other executive officers is recommended by the President and Chief Executive Officer, for the Board's consideration, potential modification, and ultimate approval. In making its recommendations, the Human Resources and Compensation Committee utilizes publicly disclosed compensation data from management information circulars and obtains the services of independent compensation consultants to provide market data on executive compensation and a technical analysis of the market data. From 2016 to 2018, the Human Resources and Compensation Committee engaged Hugessen Consulting to perform a thorough review of DIRTT's compensation programs. In 2018, both Hugessen Consulting and Meridian Compensation Partners provided independent advice to the Human Resources and Compensation Committee and Corporate Governance Committee on executive compensation and related governance matters.

The table below shows the fees paid to Hugessen Consulting and Meridian Compensation Partners during 2017 and 2018:

Advisor	Services Performed	Fees Paid in 2018	Fees Paid in 2017
Hugessen Consulting	Executive compensation and related governance matters	\$39,278	\$50,217
Meridian Compensation Partners	Executive compensation and related governance matters	\$2,786	Nil

COMPENSATION COMPONENTS

For the year ended December 31, 2018, the direct compensation program for each NEO consisted of a base salary, cash variable pay and long-term incentive plan. The Board believes that these components serve each of the objectives of the compensation program. All executive officers are also eligible to participate in the same benefits as offered to all full-time employees.

Base Salary

Base salary is used to recognize the experience, skills, knowledge and responsibilities required of executive officers. In determining base salaries, the Board also takes into account the executive officer's experience in their role, knowledge of the industry and the financial resources of the Company. The Board strives to align base salaries of the executive officers to be competitive to those that are received by comparable officers with comparable responsibilities among our peer group companies.

Short-Term Incentive Plan

In 2016, the Board approved a variable pay plan (the "**Variable Pay Plan**") for NEOs, which is based on achieving company-wide performance metrics.

The Variable Pay Plan was constructed so that a person's variable pay is tied to company-wide performance, placing the emphasis on team results and team work. The annual variable pay potential for each NEO represents a meaningful amount of additional compensation to act as a strong incentive, while being fiscally prudent for the Company. For 2018, the opportunity under the Variable Pay Plan ranged from 0-150% of base salary, as outlined in the following table:

Position	Opportunity (% of base salary)		
	Minimum	Target	Maximum
Executive Chairman	0	65	100
President & Chief Executive Officer	0	100 ⁽¹⁾	150
Chief Financial Officer	0	50 ⁽¹⁾	67
Chief Operating Officer	0	50	67
VP, Product Development	0	50	67
VP, Software Development	0	50	67

(1) Messrs. Goldstein (President and Chief Executive Officer) and Henry (Chief Financial Officer) were hired in interim positions and received bonuses based on the achievement of milestones and other objectives relating to their respective roles. As a result, their 2018 target bonus opportunity differs from that noted above. In particular, Mr. Goldstein was eligible for a payment of up to 150% of his base salary, plus additional fixed amounts, based upon the achievement of certain qualitative performance objectives established by the Board. Mr. Henry was eligible for a payment of up to 100% of his base salary, conditioned upon the achievement of certain qualitative performance objective established by the Board.

Performance was measured against the three metrics:

- Adjusted Gross Profit (20%);
- Adjusted SG&A (40%); and
- Adjusted EBITDA (40%).

“Adjusted Gross Profit” is defined as gross profit before the deduction of the depreciation of equipment and tooling for manufacturing-related assets that is included in cost of goods sold. “Adjusted EBITDA” is earnings before interest, taxes, depreciation and amortization (“EBITDA”) plus non-cash foreign exchange gains or losses on debt revaluation; gains or losses on disposal of property, plant and equipment and intangible assets; write-off of property, plant and equipment and intangible assets; non-cash stock-based compensation expense; transaction costs; and any other non-recurring gains or losses. “Adjusted SG&A” is calculated as SG&A before the inclusion of depreciation and amortization of nonmanufacturing-related assets, non-cash stock-based compensation expense and reorganization costs. For a reconciliation of these non-IFRS measures see the Company’s management discussion and analysis for the year ended December 31, 2018, available on SEDAR at www.sedar.com.

These metrics are important as they capture growth (and the quality of that growth), profitability and scaling of the business. Adjusted SG&A was added as a metric in 2018 to reflect the Company’s focus on cost control. Targets for each metric are set based on the Board-approved budget, while the maximum payout is based on improvement over the prior year. The Human Resources and Compensation Committee also has the discretion to consider execution against strategic milestones in the final evaluation and recommendation of payouts under the plan.

For 2018, the Company reported Adjusted EBITDA of \$59 million and Adjusted SG&A of \$102.3 million, both of which were above target; and Adjusted Gross Profit of \$157.3 million, which was slightly below target. Based on the Company’s financial performance and the formula under the Variable Pay Plan, the NEOs received between 122% and 133% of their target bonus amounts (i.e., between 61% and 133% of their base salaries). The specific amounts are set out in the Incentive Plan Awards section at p. 46. The Human Resources and Compensation Committee did not exercise any discretion to increase or decrease the amounts calculated under the Variable Pay Plan.

The Company is relying on the exemption under section 2.1(4) of Form 51-102F6, Statement of Executive Compensation, as disclosure of the performance goals would seriously prejudice the Company’s interests. The performance metrics are determined as part of the Company’s budgetary process and are therefore based on revenue forecasts. Accordingly, the Company believes

disclosure of performance metrics could intentionally or unintentionally be used by investors to develop financial outlook with respect to the Company's ongoing revenue expectations/targets. The Company's current practice is to not provide any financial outlook or future-oriented financial information.

Long-Term Incentive Plan

In 2017, the Human Resources and Compensation Committee determined the need for a shift in executive pay to place a greater emphasis on equity compensation. In September 2018, with the appointment of Mr. O'Meara as President and Chief Executive Officer, the Human Resources and Compensation Committee recommended an upfront award of stock options with performance conditions to ensure immediate and substantial alignment with shareholder value creation. The Human Resources and Compensation Committee is reviewing the compensation of other NEOs to ensure similar alignment.

For 2018, target long-term incentive awards for the executives were as follows:

Position	2018 Target LTIP (% of Base Salary)
Executive Chairman	48%
President and Chief Executive Officer	56% ⁽¹⁾
CFO	55% ⁽²⁾
Chief Operating Officer	48%
VP, Product Development	48%
VP, Software Development	48%

(1) As noted above, Messrs. Goldstein (President and Chief Executive Officer) and Henry (Chief Financial Officer) were hired in interim positions under different compensation arrangements that did not include long-term incentive awards.

(2) As detailed below, Geoff Krause received an on-hire award of 42,000 stock options and 16,432 PSUs.

Equity compensation awarded consisted of 50% Options and 50% performance share units ("PSUs"). The following table summarizes the features of Options and PSUs.

Key Feature	Form of Award	
	PSU	Option
Vesting Period	3-Year Cliff	3-Year ratable (1/3 of award vests on the 1 st , 2 nd , and 3 rd anniversary of grant)
Term	3 Years	5 Years
Grant/Award Determination	% of base salary, subject to Board discretion	% of base salary, subject to Board discretion
Performance Measures	25% Relative TSR (defined below) 75% Adjusted EBITDA Performance vs. Budget	Rewards share price appreciation ⁽¹⁾
Performance Framework	Payouts range from 0x- 2x grant, based on achievement of performance measures	—
Performance Period	January 1 st of the year of grant to December 31 st on the 3 rd year following grant	—
Settlement of Awards	Settled in cash	Settled in treasury shares

(1) Mr. O'Meara's options include performance conditions; see p. 43 for more information. The options held by the other NEOs do not have similar performance conditions.

Stock Options

Stock options are intended to reward for share price growth and shareholder value creation. NEOs are eligible to receive Option awards under the Option Plan. The Board intends for Option awards to continue to be an integral part of the overall compensation program. The Board believes that Option awards motivate executive behaviors that results in long-term value creation.

PSUs

In 2016, the Board adopted a Performance Share Unit Plan (the “PSU Plan”) to complement our existing Option Plan and strengthen the alignment between pay and performance. The PSU Plan is designed to support our business plan and long-term strategies, to motivate executives to drive the corporate strategy, and to improve alignment of interests between executives and shareholders. The vesting of PSUs is tied to a combination of absolute and relative measures over a three-year period: Adjusted EBITDA relative to budget and total shareholder return (“TSR”) relative to a group of performance peers. The Human Resources and Compensation Committee, with the support of its independent consultant, established a comparator group of performance peers based on the industry, geography and size criteria, against which to measure TSR performance. For 2018, our peer group included the following companies⁶:

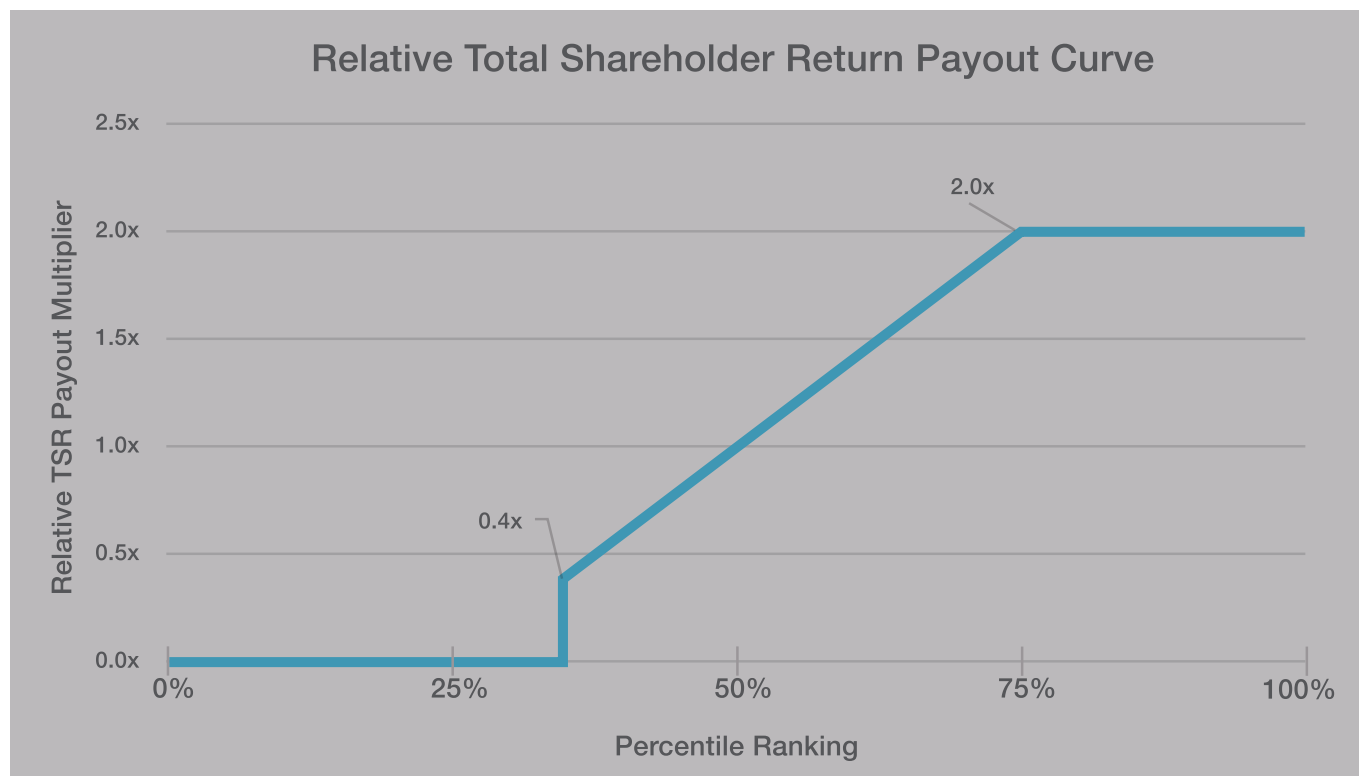
Kingspan Group plc	Patrick Industries Inc.	HNI Corp.	Kimball International Inc.
Steelcase Inc.	NCI Building Systems Inc.	Apogee Enterprises, Inc.	Herman Miller Inc.
Knoll, Inc.	Materialise NV	American Woodmark Corp.	Interface Inc.

PSUs cliff vest on the third anniversary of the date of grant and payouts are subject to a performance multiplier ranging from 0% to 200% based on final performance results. For 2018, the Board-approved performance framework is as follows:

Performance Level	Relative TSR (25%)	Adjusted EBITDA (75%)	PSU Multiplier (% of Target)
Threshold	35 th Percentile Among Peers	Budget Threshold	40%
Target	50 th Percentile Among Peers	Budget Target	100%
Maximum	75 th Percentile Among Peers	Budget Maximum	200%

⁶Pure Technologies Ltd. was initially included in the peer group but has since been acquired.

The graph below illustrates the asymmetrical payout curve of the relative TSR component, reflecting the Company's commitment to above-median performance.



The number of PSUs to be granted to each participant is determined by dividing (i) the target dollar amount to be granted in PSUs by (ii) the 5-day weighted average trading price of Common Shares immediately preceding the date of grant.

At vesting, the number of PSUs granted, including dividends notionally reinvested, will be adjusted by the performance payout multiplier and the 5-day weighted average trading price of Common Shares immediately preceding the date of vesting.

Performance measures and award payouts may be adjusted above or below the initial grant value at time of vesting to reflect material changes to the Company's performance and/or operating environment, or to reflect exceptional circumstances facing the Company. The use of discretion is based on recommendations by the Human Resources and Compensation Committee and approved by the Board.

RISKS OF COMPENSATION POLICIES AND PRACTICES

The Company's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Board and the Human Resources and Compensation Committee noted the following practices that discourage the Company's executives from taking unnecessary or excessive risk:

- the alignment between the Company's operating strategy and compensation philosophy;
- the effective balance, in each case, between cash and equity mix, near-term and long-term focus, corporate performance and financial and non-financial performance;
- the Company's approach to performance evaluation and compensation that provides greater rewards to an executive officer achieving both short-term and long-term agreed-upon objectives;
- caps on payouts;

- review of performance goals by an independent committee and the committee's discretion to adjust payouts in consideration of broader performance outcomes;
- use of multiple performance metrics in short-term and long-term compensation; and
- executives are encouraged to hold a meaningful number of Common Shares, particularly since the Board adopted guidelines for non-executive directors in 2016.

Based on this review, the Board and the Human Resources and Compensation Committee believe that the Company's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk. In 2018, the Board considered adopting share ownership guidelines for the executives. After careful consideration, it was determined that adopting a mandatory share ownership guideline for executives did not fit with the Company's business strategy and approach to recruitment of senior talent at that point in time. The Board will consider the appropriateness of such policy as part of the overall 2019 compensation review.

FINANCIAL INSTRUMENTS

The Board has developed a Disclosure and Insider Trading Policy which restricts its directors, officers, employees and contractors from purchasing financial instruments, including prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchangeable funds, that are designed to or that may reasonably be expected to have the effect of hedging or offsetting a decrease in the market value of any securities of the Company. Furthermore, the Disclosure and Insider Trading Policy prohibits the purchase or sale of securities of the Company with the intention of reselling or repurchasing in a relatively short period of time in the expectation of a short-term rise or fall in the market price of the securities of the Company.

2019 COMPENSATION DECISIONS

As discussed above, in September 2018 the Board granted Mr. O'Meara an upfront award of performance stock options upon hire. The award includes time-vesting criteria (30% of the award) and rigorous performance-vesting criteria (70% of the award), whereby payouts only occur in the event of extraordinary performance. Specifically:

- 750,000 options vest in three equal installments on each of the first three grant date anniversaries;
- 825,000 options vest when the TSX closing price of Common Shares reaches \$13.26 for 20 consecutive trading days; and
- 900,000 options vest when the TSX closing price of Common Shares reaches \$19.11 for 20 consecutive trading days.

Under this program, the President and CEO will have immediate and substantial alignment with the creation of shareholder value, however, value will only be realized if the President and CEO is able to lead the growth in share price for a sustained period of time. The Board believes this will best position the Company to provide meaningful growth and sustainable value creation for shareholders.

The compensation program for NEOs is being reviewed to ensure alignment across the organization (particularly with a number of United States-based executives), with the Company's short and long-term business plan (including a dual listing on a United States exchange), and with shareholders. The Company has engaged Meridian Compensation Partners to conduct this review and expects to make changes to the executive compensation program in 2019.

COMPENSATION TABLE

The following table sets forth information concerning the compensation received by the NEOs for the year ended December 31, 2018, 2017 and 2016.

NON-EQUITY INCENTIVE PLAN COMPENSATION

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Annual Incentive Plan (\$)	Long-Term Incentive Plans (\$)	All Other Compensation (\$)	Total Compensation (\$)
Kevin O'Meara President and Chief Executive Officer ⁽³⁾	2018	202,453	–	5,278,891 ⁽⁴⁾	194,355	–	–	5,765,699
Michael Goldstein Former Interim President and Chief Executive Officer ⁽⁵⁾	2018	369,350	–	–	667,250	–	721,102 ⁽⁶⁾	1,757,702
Mogens Smed Former Executive Chairman and Former Chief Executive Officer ⁽⁷⁾	2018	369,350	–	–	–	–	2,406,845 ⁽⁸⁾	2,776,195
	2017	508,500	–	–	33,053	–	3,345,715	3,887,268
	2016	508,500	–	113,475	233,910	–	–	855,885
Geoffrey Krause Chief Financial Officer ⁽⁹⁾	2018	173,864	105,000	89,301	105,000	–	5,000	478,165
Peter Henry Former Interim Chief Financial Officer ⁽¹⁰⁾	2018	168,216	–	–	168,216	–	–	336,432
Tracy Baker Chief Operating Officer	2018	338,976	102,188	86,909	203,386	–	516,949 ⁽¹¹⁾	1,248,408
	2017	338,976	–	–	16,949	–	16,949	372,874
	2016	338,976	–	75,650	107,201	–	16,949	538,776
Geoff Gosling Vice President, Product Development	2018	338,976	102,188	86,909	203,386	–	516,949 ⁽¹¹⁾	1,248,408
	2017	338,976	–	–	16,949	–	16,949	372,874
	2016	338,976	–	75,650	107,201	–	16,949	538,776
Barrie Loberg Vice President, Software Development	2018	338,976	102,188	86,909	–	–	504,943 ⁽¹¹⁾	1,033,016
	2017	338,976	–	–	16,949	–	–	355,925
	2016	338,976	–	75,650	107,201	–	–	521,827

(1) Reflects PSUs granted under the Company's Performance Share Unit Plan. Calculated using the 5-day volume-weighted average trading price of Common Shares on the grant date.

(2) Other than as noted under (4), calculated using Black-Scholes option-pricing model in accordance with ASU 2016-09 - stock compensation.

(3) Mr. O'Meara was appointed President and Chief Executive Officer effective September 10, 2018.

(4) Mr. O'Meara was granted 2,475,000 options, 750,000 of which have time vesting conditions and were valued using the Black-Scholes option-pricing model. 1,725,000 options have share price target performance vesting conditions and were valued using a Monte Carlo valuation model. All options expire on the fifth grant date anniversary (i.e., September 17, 2023).

(5) Mr. Goldstein was Interim President and Chief Executive Officer from January 2, 2018 until September 10, 2018.

(6) Represents severance and related termination payments.

(7) Mr. Smed was Executive Chairman from January 2, 2018 until September 10, 2018. Prior thereto, Mr. Smed was the Chief Executive Officer since February 2004.

- (8) The Company entered into a retention agreement with Mr. Smed on or about January 17, 2018, following a management transition announced earlier in the month. Under the terms of the retention agreement, Mr. Smed was paid \$1,000,000 subject to clawback under certain triggering events. Mr. Smed was terminated on September 10, 2018 and was paid \$1,334,963 under the terms of his executive employment agreement.
- (9) Mr. Krause was appointed Chief Financial Officer effective June 4, 2018. He received an on-hire award of 42,000 options and 16,432 PSUs.
- (10) Mr. Henry was the Interim Chief Financial Officer from January 2 to June 4, 2018.
- (11) The Company entered into retention agreements with Ms. Baker and Messrs. Loberg and Gosling on or about January 17, 2018, following a management transition announced earlier in the month. Under the terms of the retention agreements, they were each paid \$500,000, subject to clawback under certain triggering events.

OUTSTANDING OPTION BASED AWARDS

The following table sets forth information with respect to the outstanding Options granted under the Option Plan to the Named Executive Officers as of December 31, 2018, which includes all Options granted prior to January 1, 2019.

Named Executive Officer	Option Based Awards				Share Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Kevin O'Meara	2,475,000	6.39	Sept. 17, 2023	–	–	–	–
Mogens Smed	–	–	–	–	–	–	–
Michael Goldstein	–	–	–	–	–	–	–
Peter Henry	–	–	–	–	–	–	–
Geoffrey Krause	46,875	6.39	Sept. 17, 2023	45,938	16,432	100,400	–
Tracy Baker	40,875 37,500	6.39 5.76	July 15, 2019 July 15, 2019	– 13,125	15,992	97,711	–
Geoff Gosling	40,875 37,500 100,000 75,000	6.39 5.76 6.10 3.59	Sept. 17, 2023 Nov. 21, 2021 Aug. 16, 2020 Jun. 30, 2019	– 13,125 1,000 189,000	15,992	97,711	–
Barrie Loberg	40,875 25,000	6.39 5.76	July 15, 2019 July 15, 2019	– 8,750	15,992	97,711	–

(1) Based on the December 31, 2018 TSX closing price of \$6.11 per common share.

INCENTIVE PLAN AWARDS

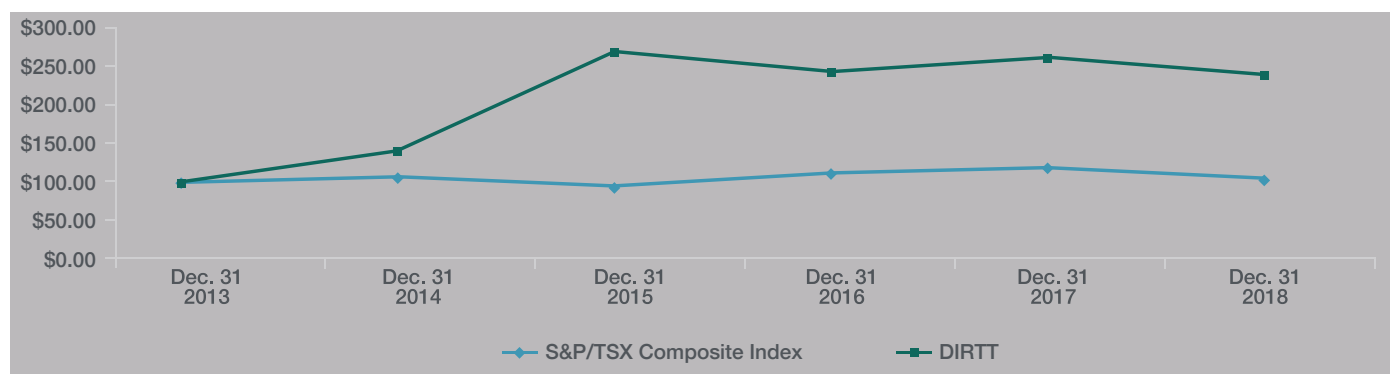
The following table sets forth information with respect to the incentive plan awards to the NEOs as of the year ended December 31, 2018.

Named Executive Officer	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards - Value Vested During the Year(\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) ⁽¹⁾
Kevin O'Meara	–	–	203,369
Michael Goldstein	–	–	667,250
Mogens Smed	67,958	–	–
Geoffrey Krause	–	–	105,411
Peter Henry	–	–	168,216
Tracy Baker	27,166	–	206,037
Geoff Gosling	27,166	–	206,037
Barrie Loberg	27,166	–	–

(1) Represents payments to NEOs under the Variable Pay Plan or under the terms of their individual employment agreements in respect of the year ended December 31, 2018.

PERFORMANCE GRAPH

The Company became a reporting issuer on November 28, 2013 upon completion of its initial public offering. The following Performance Graph shows the change in the cumulative total shareholder return on the Common Shares compared the S&P/TSX Composite Index, from December 31, 2013 to December 31, 2018. The performance of the Common Shares is based on historical data and is not indicative of, nor is it intended to forecast, the future performance of the Common Shares.



	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2018
S&P/TSX Composite Index	\$100.00	\$107.42	\$95.51	\$112.23	\$119.00	\$105.15
DIRT	\$100.00	\$141.18	\$272.16	\$245.88	\$264.31	\$239.61

The trend shown in the above graph does not necessarily correspond to the Company's trend of compensation for the NEOs for the periods disclosed above. Given DIRT's success as a disruptor in the industry and its resulting growth, the Company's pay philosophy and pay program continue to focus on attracting, retaining and incentivizing leading-edge talent. The Company considers a number of factors in connection with its determination of appropriate levels of compensation which is not necessarily tied exclusively to the trading price of the Common Shares on the TSX and other factors discussed under "Compensation Discussion and Analysis".

TERMINATION AND CHANGE OF CONTROL BENEFITS

The following table sets out the key provisions of the NEO employment agreements (with the exception of Messrs. Goldstein and Henry), the Option Plan and PSU Plan.

	Executive Employment Agreements ⁽¹⁾	Founder Employment Agreements ⁽²⁾	PSU Plan	Stock Option Plan
Termination without “Just Cause” or Resignation with “Good Reason” ⁽³⁾	- Salary continuance for 12 months plus one month per full or partial year of service, up to a maximum of 18 months (“Executive Severance Period”). - Pro rata share of variable pay (if paid), based on the number of months employed during the year in which termination occurs. - Continued eligibility to participate in all benefit plans during Executive Severance Period (Ms. Baker only). - Payment of COBRA costs during the Executive Severance Period (Mr. O’Meara only). - Options are subject to the terms of the Option Plan, except as follows: (i) accelerated vesting of all Options held by the executive at the termination date; (ii) Options remain exercisable until the earlier of 6 months from the termination date and the original expiry date (Ms. Baker only).	- Lump-sum payment equal to salary for a period of 24 months (“Founder Severance Period”). - An amount equal to the average of the variable pay received in the two years prior to termination. - All other terms the same as the Executive Employment Agreements (with the appropriate modifications as necessary to reflect Founder Severance Period).	- A pro-rata portion of unvested PSUs (and related dividend equivalent rights, if any), shall vest immediately prior to the cessation date, based on the number of complete months in the performance period prior to the cessation date divided by the total number of months in the performance period, using a performance multiplier based on target (1x) performance levels up to and including the cessation date. - If termination or resignation follows within 12 months following a change of control, all of the participant’s PSUs (and related dividend equivalent rights, if any) shall vest immediately prior to the cessation date using a performance levels based on target (1x) performance levels and shall be redeemed as at the cessation date.	- The expiry date of the options shall be the 60th day following the cessation date. No unvested options can be exercised. - If an employee or consultant’s employment or engagement is terminated without just cause, or if the employee or consultant resigns with good reason, in each case within 12 months following a change of control, all unvested Options shall immediately vest and the expiry date shall be the 60th day following the cessation date.
Termination with “Just Cause” or Resignation without “Good Reason”	- No entitlement to salary, variable pay or benefits beyond the termination date. - Options are subject to the terms of the Option Plan, except as follows: (i) accelerated vesting of all Options held by the executive at the termination date; (ii) Options remain exercisable until the earlier of 6 months from the termination date and the original expiry date (Ms. Baker only).	Same as the Executive Employment Agreements.	All PSUs shall be immediately forfeited and cancelled effective on the cessation date.	The expiry date of the options shall be the cessation date. No unvested options can be exercised.

	Executive Employment Agreements ⁽¹⁾	Founder Employment Agreements ⁽²⁾	PSU Plan	Stock Option Plan
Involuntary Termination⁽⁴⁾	- No entitlement to salary or variable pay beyond the termination date. - Continued extended health and dental for spouse and dependents for a period of 18 months from termination date (Ms. Baker only). - Payment of COBRA costs during the Executive Severance Period (Mr. O'Meara only). - Options are subject to the terms of the Option Plan, except as follows: (i) accelerated vesting of all Options held by the executive at the termination date; (ii) Options remain exercisable until the earlier of 6 months from the termination date and the original expiry date (Ms. Baker only).	Same as the Executive Employment Agreements.	- A pro-rata portion of unvested PSUs (and related dividend equivalent rights, if any), shall vest immediately prior to the cessation date, based on the number of complete months in the performance period prior to the cessation date divided by the total number of months in the performance period, using a performance multiplier based on target (1x) performance levels up to and including the cessation date. - Payout for such awards shall be paid to the participant or the participant's beneficiary or legal representative, as the case may be, as soon as practicable following calculation and approval by the Board.	- Upon death options shall pass to the holder's personal representative and shall be exercisable on or before the date that is the earlier of six months following the date of death and the applicable expiry date. - If employment or engagement of an employee or consultant or a position as a director or officer is terminated by reason of disability, any Options shall be exercised by the holder or his or her personal representative on or before the date that is the earlier of six months from the cessation date and the applicable expiry date.
Retirement	None	None	- Unvested PSUs shall remain outstanding and subject to the PSU Plan and the terms of the applicable award agreement until the end of the applicable performance period. - Payout for such awards shall be based on achievement of the applicable performance vesting conditions and shall be paid to the participant as soon as practicable following the applicable vesting date. - The continued vesting of the PSUs is subject to the participant's compliance with any post-employment restrictive covenants set out in the participant's award agreement, any non-competition restriction.	The expiry date of the options shall be six months following the cessation date.

	Executive Employment Agreements⁽¹⁾	Founder Employment Agreements⁽²⁾	PSU Plan	Stock Option Plan
Change of Control	If a change of control occurs by June 4, 2019, and the executive's employment is terminated without Just Cause, or the executive resigns, in either case within 60 days of the change of control, the executive receives a lump sum payment equal to 12 months' salary and a the greater of (i) the pro-rata share of variable pay based on the number of months employed during the year in which termination occurs, and (ii) \$75,000 (Mr. Krause only)	None	Any surviving, successor or acquiring entity shall assume any outstanding PSUs or shall substitute similar share units for the outstanding PSUs. If the surviving, successor or acquiring entity does not assume the outstanding PSUs or substitute similar share units for the outstanding PSUs, or if the Board otherwise determines in its sole discretion, the PSU Plan shall be terminated effective immediately prior to the change of control and all outstanding PSUs shall be deemed to vest and shall be redeemed immediately prior to the termination date of the PSU Plan. The number of PSUs which are deemed to vest shall be determined in the Board discretion using a performance multiplier based upon actual performance.	- In the event of a change of control, if the surviving, successor or acquiring entity does not assume the outstanding Options, or if the Board otherwise determines in its discretion, all outstanding Options are deemed to be vested and shall expire immediately prior to termination of the Plan, unless otherwise exercised, forfeited or cancelled prior to termination to termination of the Plan. - The Board has the power to, among other things, make such changes to the terms of the Options it considers fair and appropriate in the circumstances, or to modify the terms of the Options to assist in tendering into a takeover bid or other arrangement leading to a change of control.
Restrictive Covenants	- Non-competition during the term of employment and the Executive Severance Period. - Non-solicitation during the term of employment and the Executive Severance Period.	- Non-competition during the term of employment and (i) for a period of 12 months thereafter if the executive resigns without Good Reason, or (ii) 24 months thereafter if the executive's employment is terminated for Just Cause or other reason, or the executive resigns with Good Reason (the "Founder Restricted Period"). In the event the executive resigns without Good Reason, the Founder Restricted Period may be increased to 24 months upon payment by the Company to the executive of an amount equal to 12 months' salary. - Non-solicitation during the term of employment and the Founder Restricted Period.		

(1) Applicable to Ms. Baker and Messrs. Krause and O'Meara.

(2) Applicable to Messrs. Smed, Loberg and Gosling.

(3) "Just Cause" means: (i) fraud, misappropriation of the property or funds of the Company, embezzlement, malfeasance, misfeasance or nonfeasance in office which is willfully or grossly negligent on the part of the NEO ; (ii) the willful allowance by the NEO of the NEO's duty to the Company and his personal interests to come into conflict in a material way in relation to any transaction or matter that is of a substantial nature; or (iii) the breach by the NEO of any non-competition, non-solicitation or confidentiality covenants contained in the Founder or Employment Agreement.

“Good Reason” means any one or more of the following: (i) without the express written consent of the NEO, any material change or diminution of the NEO’s title, authority, status, duties, reporting relationship; (ii) any material reduction in the NEO’s compensation, including his or her salary, benefits, pensions, variable and incentive compensation, perquisites and allowances (for the Founder Employment Agreements, a reduction of more than 2% is considered material and in the case of the variable pay, a reduction of more than 2% of the NEO’s target amount is considered material); (iii) the requirement that the NEO be based anywhere other than at the Company’s principal executive offices in Calgary, Alberta; (iv) any material breach by the Company of the Founder or Executive Employment Agreement; or (v) any other reason which would be concluded by a court of competent jurisdiction to amount to a constructive dismissal at common law (provided the Company is given notice and an opportunity to cure the acts and omissions constituting grounds for Good Reason).

(4) “Involuntary termination” for the purposes of the Executive Employment Agreements and Founder Employment Agreements means death of the employee. For the purposes of the PSU plan, “involuntary termination” means death or disability of the participant.

The table below sets out the estimated termination payment under the Executive Employment Agreements and Founder Employment Agreements, as applicable, that each NEO would have been entitled to if the event resulting in termination of employment occurred on December 31, 2018.

Named Executive Officer	Termination without “Just Cause” (\$) or Resignation with “Good Reason”	Termination with “Just Cause” or “Resignation without “Good Reason”(\$)
Kevin O'Meara	731,838	Nil
Geoff Krause	357,000	Nil
Tracy Baker	568,464	Nil
Geoff Gosling	862,102	Nil
Barrie Loberg	862,102	Nil

EMPLOYEE SHARE PURCHASE PLAN

The Board has adopted an Employee Share Purchase Plan (“ESPP”) to encourage ownership of Common Shares and to align the interest of employees, including NEOs, more closely with those of shareholders. All employees are eligible to participate in the ESPP. Pursuant to the ESPP, employees are able to purchase Common Shares up to an aggregate amount of 10% of their base salaries and with DIRTT contributing an additional 50% of each such employee amount towards further purchases. All Common Shares are purchased through the facilities of the TSX and all Common Shares purchased through DIRTT contributions are required to be held for a minimum of one year from the date of purchase. Amounts paid by DIRTT are a taxable benefit.

Other Information

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Common Shares to be issued upon exercise of Options issued pursuant to the Option Plan, the weighted average exercise price of such Options and the number of Common Shares remaining available for future issuance under equity compensation plans of the Company as at December 31, 2018.

Number of Common shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans
6,858,376	\$5.88	1,606,181

The following table sets out the annual burn rate of Options issued under the Company's Option Plan for the last three years.

Year	# of Options Granted	Weighted Average # of Securities Outstanding	Burn Rate (%)
2018	3,327,525	84,477,350	3.94
2017	57,500	84,678,984	0.07
2016	1,671,625	84,645,393	1.97

The following table sets out the key feature of the Option Plan.

Eligibility	Granted at the discretion of the Board to directors, officers, employees, consultants and other persons.
Number of Securities Issued Under the Plan	As of the date hereof, there are 5,915,449 Options outstanding under the Option Plan, representing approximately 7.0% of the issued and outstanding Common Shares. There are approximately 2,550,688 unallocated Options available for issuance under the Option Plan.
Plan Limits	- Options may be granted in such numbers as the Board may determine. - The aggregate number of Common Shares that may be reserved for issuance under the Option Plan, together with any Common Shares reserved for issuance under any other share compensation arrangements, must not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis). - The number of Common Shares, when combined with any other share compensation arrangements, issuable (or reserved for issuance) to "insiders" of DIRTT and their associates and affiliates may not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis), at any time and no more than 10% of the issued and outstanding Common Shares may be issued under the Option Plan or pursuant to any other share compensation arrangements to "insiders" of DIRTT within any one year period. - The issuance of Common Shares to any one participant, when combined with any other share compensation arrangements, may not exceed 10% of the issued and outstanding Common Shares (on a non-diluted basis). - Non-executive director participation in the Option Plan may not exceed more than \$100,000 based on the grant date

Exercise Price	The exercise price of Options shall not be less than the “fair market value” of the Common Shares at the date of granting such Option. For purposes of the Option Plan, “fair market value” means the weighted average price of the Common Shares on the TSX for the five trading days prior to the date on which the Option is granted;
Vesting	Options vest in three equal installments on each of the first three grant date anniversaries.
Term	The term and expiry date of the Options granted is determined at the discretion of the Board at the time of granting of the Options, provided that the expiry is no later than the fifth anniversary of the grant date.
Change of Control	- In the event of a change of control, if the surviving, successor or acquiring entity does not assume the outstanding Options, or if the Board otherwise determines in its discretion, all outstanding Options are deemed to be vested and shall expire immediately prior to termination of the Plan, unless otherwise exercised, forfeited or cancelled prior to termination of the Plan. - The Board has the power to, among other things, make such changes to the terms of the Options it considers fair and appropriate in the circumstances, or to modify the terms of the Options to assist in tendering into a takeover bid or other arrangement leading to a change of control.
Termination	- Ceasing to Hold Office – where a director or officer ceases to hold such position other than by reason of death, disability or retirement, the expiry date of the Options shall be the 90th day following the cessation date, unless the director or officer ceases to hold such position as a result of (i) ceasing to meet the qualifications set forth in the applicable corporate legislation, (ii) a special resolution of shareholders of the Company removing the director from the Company, or (iii) an order made by any regulatory authority having jurisdiction to do so, in which case the expiry date shall be the cessation date. - Ceasing to be Employed or Engaged – where an employee or consultant ceases to hold such position other than by reason of death, disability or retirement, the expiry date of the Options shall be the 60th day following the cessation date, unless the employee or consultant ceases to hold such position as a result of (i) termination for just cause, (ii) resignation without good reason (except in circumstances constituting retirement), or (iii) an order made by any regulatory authority having jurisdiction to do so, in which case the expiry date shall be the cessation date. - Retirement – where an employee or officer of the Company ceases to hold such position by reason of retirement, the expiry date of the Options shall be six months following the cessation date. - Termination Following a Change of Control – if an employee or consultant’s employment or engagement is terminated without just cause, or if the employee or consultant resigns with good reason, in each case within 12 months following a change of control, all unvested Options shall immediately vest and the expiry date shall be the 60th day following the cessation date. - Death – upon death, Options shall pass to the holder’s personal representative and shall be exercisable on or before the date that is the earlier of six months following the date of death and the applicable expiry date. - Disability – if employment or engagement of an employee or consultant or a position as a director or officer is terminated by reason of disability, any Options shall be exercised by the holder or his or her personal representative on or before the date that is the earlier of six months from the cessation date and the applicable expiry date.
Amendments	- The Board has the ability to amend the Option Plan or any Option without seeking shareholder approval, subject to applicable law, with respect to the following: (i) minor changes of a “housekeeping nature”; (ii) amending the vesting provisions of existing Options; and (iii) changing the termination provisions of any Option, provided it does not entail an extension beyond the original expiry date of such Option or beyond five years from its grant date. - Shareholder approval is required for the following amendments: (i) increasing the number of Common Shares reserved for issuance under the Option Plan; (ii) reducing the exercise price of an Option; and (iii) any amendment to the amendment provisions of the Option Plan.
General	- Options are not transferable or assignable; - No financial assistance is provided by the Company to facilitate the purchase of Common Shares under the Option Plan to the participants to whom such Options have been granted.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

Management of DIRTT is not aware of any material interest, by way of beneficial ownership of securities or otherwise, of any director, proposed nominee for election as a director, individuals who served as executive officers since January 1, 2018, or any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting, or any adjournment or postponement thereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described in this Information Circular, no informed person of the Company, any proposed person nominated for election as a director of the Company, nor any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Company since the commencement of the Company's most recent financial year, nor in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

No management functions of the Company are performed by a person or company other than the directors or executive officers of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former directors or executive officers of the Company or any of its subsidiaries and no associate of any director or executive officer of the Company or any of its subsidiaries is or has been indebted to the Company or its subsidiaries at any time since January 1, 2018, where such indebtedness has not been repaid in full on or before the date of this Information Circular.

OTHER BUSINESS

Management is not aware of any other business to come before the Meeting, or any adjournment or postponement thereof other than as set forth in the Notice of Meeting. If any other business properly comes before the Meeting, or any adjournment or postponement thereof, it is the intention of the persons named in the proxy form to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Financial information for the year ended December 31, 2018 is provided in the Company's financial statements and management's discussion and analysis for its most recently completed financial year. Shareholders who wish to receive additional copies of such financial information and management's discussion and analysis should send a request to the Company at 7303 - 30th Street S.E., Calgary, Alberta, T2C 1N6, Attention: Investor Relations.

Appendix “A” – Schedule of Share Structure

SCHEDULE OF SHARE STRUCTURE

The Corporation is authorized to issue an unlimited number of common shares (the “Common Shares”) such shares having attached thereto the following rights, privileges, restrictions and conditions:

COMMON SHARES

The holders (“Shareholders”) of the Common Shares are entitled:

- a. to receive notice of and to attend and to one vote per Common Share at all meetings of Shareholders, except meetings at which only holders of a specified class of shares are entitled to vote;
- b. to receive any dividend declared by the Corporation on the Common Shares; provided that the Corporation shall be entitled to declare dividends on any class of shares to the exclusion of any other class, without being obliged to declare any dividends on the Common Shares; and
- c. subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive the remaining property of the Corporation upon dissolution in equal rank with the Shareholders.

Appendix “B” – Other Rules and Provisions

OTHER RULES AND PROVISIONS

- a. The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual meeting of the Corporation.
- b. Meetings of the shareholders may be held inside or outside Alberta at such place as may be determined by the directors of the Corporation from time to time.

Appendix “C” – Preferred Shares

PREFERRED SHARES

The Preferred Shares shall have attached thereto the following rights, privileges, restrictions and conditions:

- a. the Preferred Shares may at any time and from time to time be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be determined by resolution of the directors of the Corporation;
- b. subject to the provisions of the Business Corporations Act (Alberta), the directors of the Corporation may by resolution fix from time to time before the issue thereof the designation, rights, privileges, restrictions and conditions attaching to each series of the Preferred Shares; and
- c. the directors of the Corporation may not issue any Preferred Shares if by doing so the aggregate number of Preferred Shares that would then be issued and outstanding would exceed 20 percent of the aggregate number of Common Shares then issued and outstanding.

Appendix “D” – Amended and Restated By-Law

A By-law relating generally to the transaction of the business and affairs of
DIRTT Environmental Solutions Ltd.

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SECTION SUBJECT

ONE INTERPRETATION

TWO BUSINESS OF THE CORPORATION

THREE DIRECTORS

FOUR COMMITTEES

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SIX NOMINATION OF DIRECTORS

SEVEN SHARES

EIGHT DIVIDENDS

NINE MEETINGS OF SHAREHOLDERS

TEN NOTICES

ELEVEN EFFECTIVE DATE

IT IS HEREBY ENACTED as Amended and Restated By-law No. 1 of DIRTT Environmental Solutions Ltd. (hereinafter called the “Corporation”), which replaces all previous By-laws of the Corporation and amendments thereto as follows:

SECTION ONE INTERPRETATION

1.01 DEFINITIONS

In the By-laws of the Corporation, unless the context otherwise requires:

“Act” means the Business Corporations Act (Alberta), and any statute that may be substituted therefor, including the regulations thereunder, as from time to time amended;

“Appoint” includes “elect” and vice versa;

“Articles” means the articles of the Corporation, as defined in the Act, and includes any amendments thereto;

“Board” means the board of directors of the Corporation;

“By-laws” means this amended and restated By-law no. 1 and all other By-laws of the Corporation from time to time in force and effect;

“Meeting of Shareholders” means any meeting of Shareholders, including any meeting of one or more classes or series of Shareholders;

“public filing or announcement” means disclosure in a news release disseminated by the Corporation through a national news service in Canada or in a document filed by the Corporation for public access under its profile on the System of Electronic Document Analysis and Retrieval at <http://www.sedar.com>;

“recorded address” means, in the case of a Shareholder, the address of such Shareholder as recorded in the securities register; in the case of joint Shareholders, the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of a director, officer, auditor or member of a committee of the Board, the latest address of such person as recorded in the records of the Corporation;

“Regulation 14A” means Regulation 14A under the Securities Exchange Act of 1934, as may be amended from time to time;

“SEC” means the United States Securities and Exchange Commission;

“Shareholders” means the holders of any class or series of shares of the Corporation; and

“Signing Officer” means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by Section 2.03 or by a resolution passed pursuant thereto.

Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts, unincorporated organizations and personal representatives.

1.02 CONFLICT WITH THE ACT, THE ARTICLES OR ANY UNANIMOUS SHAREHOLDER AGREEMENT

To the extent of any conflict between the provisions of the By-laws and the provisions of the Act, the Articles or any unanimous shareholder agreement relating to the Corporation, the provisions of the Act, the Articles or the unanimous shareholder agreement shall govern.

1.03 HEADINGS AND SECTIONS

The headings used throughout the By-laws are inserted for convenience of reference only and are not to be used as an aid in the interpretation of the By-laws. "Section" followed by a number means or refers to the specified section of this By-law.

1.04 INVALIDITY OF ANY PROVISION OF BY-LAWS

The invalidity or unenforceability of any provision of the By-laws shall not affect the validity or enforceability of the remaining provisions of the By-laws.

SECTION TWO: BUSINESS OF THE CORPORATION

2.01 CORPORATE SEAL

The corporate seal of the Corporation, if any, shall be in such form as the Board may from time to time by resolution approve.

2.02 FINANCIAL YEAR

The financial year of the Corporation shall end on such date in each year as the Board may from time to time by resolution determine.

2.03 EXECUTION OF INSTRUMENTS

Deeds, transfers, assignments, contracts, mortgages, charges, obligations, certificates and other instruments of any nature whatsoever (collectively "instruments") shall be signed on behalf of the Corporation by the President or Chief Executive Officer alone or by any two persons, one of whom holds the office of Chair of the Board, Lead Director, Chief Financial Officer, Vice President or director and the other of whom holds one of the said offices or the office of Secretary, Treasurer, Assistant Secretary or Assistant Treasurer, or any other office created by resolution of the Board. In addition, the Board is authorized from time to time by resolution to appoint any person or persons on behalf of the Corporation either to sign instruments in writing generally or to sign specific instruments. Any Signing Officer may affix the corporate seal to any instrument requiring the same.

2.04 EXECUTION IN COUNTERPART, BY FACSIMILE, AND BY ELECTRONIC SIGNATURE

Subject to the Act,

(a) any instrument or document required or permitted to be executed by one or more persons on behalf of the Corporation may be signed and transmitted by electronic means; and

(b) any instrument or document required or permitted to be executed by one or more persons may be executed in separate counterparts, each of which when duly executed by one or more of such persons shall be an original and all such counterparts together shall constitute one and the same such instrument or document.

2.05 BANKING ARRANGEMENTS

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be authorized by the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.

2.06 VOTING RIGHTS IN OTHER BODIES CORPORATE

Any one or more Signing Officers may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the persons executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board or, failing the Board, the Signing Officers may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.07 DIVISIONS

The Board may from time to time cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation, types of business or operations, geographical territories, product lines or goods or services, as the Board may consider appropriate in each case. From time to time the Board may authorize upon such basis as may be considered appropriate in each case:

- (a) the designation of any such division by, and the carrying on of the business and operations of any such division under, a name other than the name of the Corporation; provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation; and
- (b) the appointment of officers for any such division and the determination of their powers and duties, provided that any such officers shall not, as such, be officers of the Corporation.

SECTION THREE DIRECTORS

3.01 NUMBER OF DIRECTORS

The Board shall consist of the number of directors provided in the Articles, or, if a minimum number and a maximum number of directors is so provided, the number of directors of the Corporation shall be determined from time to time by resolution of the directors.

3.02 CALLING AND NOTICE OF MEETINGS

Meetings of the Board shall be called and held at such time and at such place as the Board, the Chair of the Board, Chief Executive Officer, President, or any two directors may determine, and the Secretary or any other officer shall give notice of meetings when directed or authorized by such persons. Notice of each meeting of the Board shall be given in the manner provided in Section 10 to each director not less than forty-eight (48) hours before the time when the meeting is to be held unless waived in accordance with the Act. A notice of a meeting of the Board need not specify the purpose of or the business to be transacted at the meeting, except where required by the Act. Notwithstanding the foregoing, the Board may from time to time fix a day or days in any month or months for regular meetings of the Board at a place and hour to be named, in which case no other notice shall be required for any such regular meeting except where the Act requires specification of the purpose or the business to be transacted thereat. Provided

that a quorum of directors is present, each newly elected Board may, without notice, hold its first meeting following the Meeting of Shareholders at which such Board was elected.

3.03 PLACE OF MEETINGS

Meetings of the Board may be held at any place in or outside Alberta.

3.04 MEETINGS BY TELEPHONIC, ELECTRONIC OR OTHER COMMUNICATION FACILITY

A director may participate in a meeting of the Board or of a committee of the Board by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear each other. A director participating in such a meeting in such manner shall be considered present at the meeting and at the place of the meeting.

3.05 QUORUM

Subject to the requirements under the Act requiring resident Canadians to be present at any meeting of the Board, the quorum for the transaction of business at any meeting of the Board shall consist of a majority of directors or such greater number of directors as the Board may from time to time determine, provided that, if the Board consists of only one director, the quorum for the transaction of business at any meeting of the Board shall consist of one director.

3.06 CHAIR

The chair of any meeting of the Board shall be the director present at the meeting who is the first mentioned of the following officers as have been appointed: Chair of the Board, Lead Director, President, Chief Executive Officer, Chief Financial Officer or a Vice President (in order of seniority). If no such officer is present, the directors present shall choose one of their members to be chair. If the Secretary of the Corporation is absent, the chair of the meeting shall appoint some person, who need not be a director, to act as secretary of the meeting.

3.07 ACTION BY THE BOARD

At all meetings of the Board every question shall be decided by a majority of the votes cast on the question. A director participating in a meeting by electronic means, telephone or other communication facilities may vote by means of such facility. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote. The powers of the Board may also be exercised by resolution in writing signed by all the directors who would be entitled to vote on that resolution at a meeting of the Board.

3.08 ADJOURNED MEETING

Any meeting of the Board may be adjourned from time to time by the chair of the meeting, with the consent of the meeting, to a fixed time and place. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

3.09 REMUNERATION AND EXPENSES

The directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for reasonable travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

3.10 OFFICERS

The Board from time to time may appoint one or more officers of the Corporation and, without prejudice to rights under any employment contract, may remove any officer of the Corporation. The powers and duties of each officer of the Corporation shall be those determined from time to time by the Board and, in the absence of such determination, shall be those usually incidental to the office held.

3.11 AGENTS AND ATTORNEYS

The Board shall have the power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

SECTION FOUR COMMITTEES

4.01 COMMITTEES OF THE BOARD

Subject to the Act, the Board may (a) appoint one or more committees of the Board, however designated, and (b) delegate to any such committee any of the powers of the Board.

4.02 TRANSACTION OF BUSINESS

The powers of any committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of any committee may be held at any place in or outside Alberta.

4.03 PROCEDURE

Unless otherwise determined by the Board, a quorum for meetings of any committee shall be a majority of its members and each committee shall have the power to appoint its chair and determine the rules for calling, holding, conducting and adjourning meetings of the committee which, unless otherwise determined, shall be the same as those governing the Board. Each member of a committee shall serve during the pleasure of the Board and, in any event, only so long as such person shall be a director. The directors may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

SECTION FIVE PROTECTION OF DIRECTORS AND OFFICERS

5.01 LIMITATION OF LIABILITY

No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or with which any moneys, securities or effects

shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets of or belonging to the Corporation or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his or her respective office or trust or in relation thereto unless the same shall happen by or through his or her failure to exercise the powers and to discharge the duties of his or her office honestly, in good faith and with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

5.02 INDEMNITY

The Corporation shall, to the maximum extent permitted under the Act or otherwise by applicable law, indemnify a director or officer of the Corporation, a former director or officer of the Corporation, and a person who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, and their heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other action or proceeding to which he or she is made a party to or involved by reason of that association with the Corporation or such other entity.

5.03 ADVANCE OF COSTS

The Corporation shall, to the maximum extent permitted under the Act or otherwise by applicable law, advance moneys to an individual referred to in Section 5.02 to defray the costs, charges and expenses of a proceeding referred to in Section 5.02 provided such individual shall repay the moneys advanced if the individual does not fulfill the conditions set forth in the Act.

5.04 COURT APPROVAL

The Corporation shall use reasonable commercial efforts to obtain any court or other approvals necessary for any indemnification pursuant to Sections 5.02.

5.05 INDEMNITIES NOT EXCLUSIVE

The rights of any person to indemnification granted by the Act or this By-law are not exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of Shareholders or directors, at law or otherwise, and shall continue as to a person who has ceased to be a director, officer, employee or agent and will enure to the benefit of the heirs and legal representatives of that person.

5.06 INSURANCE

The Corporation may purchase, maintain or participate in insurance for the benefit of the persons referred to in Section 5.02 as the Board may from time to time determine.

SECTION SIX NOMINATION OF DIRECTORS

6.01 NOMINATION OF DIRECTORS

Subject to the Act and the Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual Meeting of Shareholders, or at any special Meeting of Shareholders (but only if the election of Directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

- a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- b) by or at the direction or request of one or more Shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the Shareholders made in accordance with the provisions of the Act; or
- c) by any person (a “Nominating Shareholder”) who: (i) at the close of business on the date of the giving of the notice provided described in Section 6.02 and on the record date for notice of such Meeting of Shareholders is a registered holder of one or more shares carrying the right to vote at such Meeting of Shareholders or who beneficially owns shares that are entitled to be voted at such Meeting of Shareholders; and (ii) complies with the provisions set forth in this Section.

6.02 TIMELY NOTICE

A Nominating Shareholder must give notice of a nomination (a “Nomination Notice”) in proper form to the Chair of the Board:

- a) in the case of an annual Meeting of Shareholders, not less than 30 days before the date of the annual Meeting of Shareholders, unless such Meeting of Shareholders is called for a date that is less than 50 days following the date on which the first public filing or announcement of the date of such meeting was made, in which case a Nomination Notice must be given not later than the close of business on the 10th day following the date of such public filing or announcement; and
- b) in the case of a special Meeting of Shareholders (which is not also an annual Meeting of Shareholders) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day after the date on which the first public filing or announcement of the date of such Meeting of Shareholders was made,

except that, in either instance, if “notice-and-access” pursuant to and in accordance with applicable securities laws is used for delivery of proxy related materials in respect of a meeting described in 6.02(a) or (b), and the date on which the first public filing or announcement of the date of such meeting was made in respect of the such meeting is not less than 50 days prior to the date of the applicable meeting, the Nomination Notice must be received not less than 40 days before the date of the applicable meeting.

6.03 PROPER WRITTEN FORM

To be in proper written form, a Nomination Notice must:

- a) disclose or include, as applicable, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a “Nominee”):
 - i) their name, age, business and residential address, principal occupation or employment for the past five years, and status as a “resident Canadian” (as such term is defined in the Act);
 - ii) their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount, as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - iii) a statement as to whether such person would be “independent” of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, and within the meanings set forth by the SEC and the rules or regulations of any stock exchanges applicable to the Corporation, as such provisions, rules or regulations may be amended, or pursuant to any rules, regulations or statutes which may supersede such provisions or regulations, from time to time) if elected as a director at such meeting and the reasons and basis for such determination;
 - iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominee and the Nominating Shareholder; and
 - v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act, Regulation 14A or other applicable securities law, and rules or regulations of any stock exchange applicable to the Corporation;
- b) disclose or include, as applicable, as to each Nominating Shareholder giving the notice and each beneficial owner, if any,

on whose behalf the nomination is made:

- i) their name, business and residential address, direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount;
 - ii) their interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation, including any derivative or hedging arrangements;
 - iii) any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the Board; and
 - iv) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act, Regulation 14A or any other applicable securities laws or rules or regulations or any stock exchanges applicable to the Corporation.
- c) Such notice shall include a written consent duly signed by each Nominee to being named as a nominee and to serve as a director of the Corporation, if elected, and that the Nominee is eligible to serve as a director under the Act.
 - d) All information to be provided in a Nomination Notice shall be provided as of the date of such notice. The Nominating Shareholder shall update such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days prior to the date of the Meeting of Shareholders, or any adjournment or postponement thereof.

6.04 DISCUSSION PERMITTED

Nothing in this Section shall be deemed to preclude discussion by a Shareholder (as distinct from nominating directors) at a Meeting of Shareholders of any matter in respect of which such Shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act.

6.05 NOTICE

A Nomination Notice may only be given by personal delivery, facsimile transmission or by e-mail at such e-mail address as may be stipulated from time to time by the Corporation for purposes of this notice, and shall be deemed to have been given and made only at the time it is served by personal delivery to the Chair of the Board at the address of the principal executive offices of the Corporation, sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) or sent by e-mail (at the address as aforesaid); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

6.06 ADDITIONAL MATTERS

- a) The chair of any Meeting of Shareholders (the "Chair") shall have the power to determine whether any proposed nomination is made in accordance with the provisions of the By-Laws, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any Meeting of Shareholders.
- b) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Section.

SECTION SEVEN SHARES

7.01 SECURITY CERTIFICATES

- a) Security certificates (if any) shall (subject to compliance with section 48 of the Act) be in such form as the directors may from time to time by resolution approve and such certificates shall be signed by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture. Any signatures required on a security certificate may be printed or otherwise mechanically reproduced on it. If a security certificate contains a printed or mechanically reproduced signature of a person, the Corporation may issue the security certificate, notwithstanding that the person has ceased to be a director or an officer of the Corporation, and the security certificate is as valid as if he or she were a director or an officer at the date of its issue.
- b) For greater certainty but subject to subsection (1) of section 48 of the Act, a registered securityholder may have his or her holdings of securities of the Corporation evidenced by an electronic, book-based, direct registration service or other non-certificated entry or position on the register of securityholders to be kept by the Corporation in place of a physical security certificate pursuant to a registration system that may be adopted by the Corporation, in conjunction with its transfer agent (if any). This by-law shall be read such that a registered holder of securities of the Corporation pursuant to any such electronic, book-based, direct registration service or other non-certificated entry or position shall be entitled to all of the same benefits, rights, entitlements and shall incur the same duties and obligations as a registered holder of securities evidenced by a physical security certificate. The Corporation and its transfer agent may adopt such policies and procedures and require such documents and evidence as they may determine necessary or desirable in order to facilitate the adoption and maintenance of a security registration system by electronic, book-based, direct registration system or other non-certificated means.

7.02 NON-RECOGNITION OF TRUSTS

Subject to the Act, the Corporation may treat as the absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the security certificate (if any).

7.03 JOINT SHAREHOLDERS

If two or more persons are registered as joint holders of any share:

- a) the Corporation shall record only one address on its books for such joint holders;
 - b) the address of such joint holders for all purposes with respect to the Corporation shall be their recorded address; and
- any one of such persons may give effectual receipts for the certificate (if any) issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant certificate (if any) issuable in respect of such share.

SECTION EIGHT DIVIDENDS

8.01 DIVIDEND CHEQUES

A dividend payable in cash shall be paid by cheque of the Corporation or of any dividend paying agent appointed by the Board, to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at the Shareholder's recorded address, unless such holder otherwise directs and the Corporation agrees to follow such direction. In the case of joint holders the cheque shall, unless such joint holders otherwise direct and the Corporation agrees to follow such direction, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold. Alternatively, dividends payable in money may be paid to Shareholders by such form of electronic funds transfer as the Board considers appropriate.

8.02 NON-RECEIPT OF CHEQUES

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case. No dividend shall bear interest against the Corporation.

8.03 UNCLAIMED DIVIDENDS

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION NINE MEETINGS OF SHAREHOLDERS

9.01 PLACE OF MEETINGS

Subject to the Act and Articles, meetings of the Shareholders shall be held at such place within or outside of Alberta as the Board shall determine.

9.02 PARTICIPATION IN MEETING BY ELECTRONIC MEANS

Any person entitled to attend a Meeting of Shareholders may participate in the Meeting of Shareholders, in accordance with the Act, by electronic means, telephone or other communication facility that permits all participants to hear each other or otherwise communicate with each other during the Meeting of Shareholders, if the Corporation makes available such a communication facility. A person participating in a Meeting of Shareholders by such means shall be deemed to be present at the Meeting of Shareholders.

9.03 ELECTRONIC MEETINGS

If the Board or the Shareholders call a Meeting of Shareholders, the Board or those Shareholders, as the case may be, may determine that the Meeting of Shareholders shall be held, in accordance with the Act, entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the Meeting of Shareholders.

9.04 CHAIR, SECRETARY AND SCRUTINEERS

The Chair, who need not be a Shareholder, shall be any of the following officers as appointed by the Board to act as Chair and is present at such Meeting of Shareholders: Chair of the Board, Lead Director, President, Chief Executive Officer, Chief Financial Officer or a Vice President (in order of seniority). If, within fifteen (15) minutes from the time fixed for holding the Meeting of Shareholders, no such officer is present and willing to act as Chair and if no director is present or if all the directors present decline to act as Chair then, the persons present and entitled to vote shall choose one of their members to be Chair. The Chair shall conduct the proceedings at the Meeting of Shareholders in all respects and his or her decision in any matter or thing, including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy and any question as to the admission or rejection of a vote, shall be conclusive and binding upon the Shareholders. The Chair of the meeting shall have the authority to adjourn any Meeting of Shareholders from time to time. The Secretary of any Meeting of Shareholders shall be the Secretary of the Corporation, provided that, if the Corporation does not have a Secretary or if the Secretary of the Corporation is absent, the Chair shall appoint some person, who need not be a Shareholder, to act as Secretary of the Meeting of Shareholders. The Board may from time to time appoint in advance of any Meeting of Shareholders one or more persons to act as scrutineers at such Meeting of Shareholders and, in the absence of such appointment, the Chair may appoint one or more persons to act as scrutineers at any Meeting of Shareholders. Scrutineers so appointed may, but need not be, Shareholders, directors, officers or employees of the Corporation.

9.05 PERSONS ENTITLED TO BE PRESENT

The only persons entitled to be present at a Meeting of Shareholders shall be: (a) those entitled to vote at such Meeting of Shareholders; (b) the directors and auditors of the Corporation; (c) others who, although not entitled to vote, are entitled or required under any provision of the Act, the Articles or the By-laws to be present at the Meeting of Shareholders; (d) legal counsel to the Corporation when invited by the Corporation to attend the Meeting of Shareholders; and (e) any other person on the invitation of the Chair.

9.06 QUORUM

A quorum for the transaction of business at any Meeting of Shareholders shall be at least two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent Shareholder so entitled, and representing in the aggregate not less than twenty-five percent (25%) of the outstanding shares of the Corporation carrying voting rights at the Meeting of Shareholders, provided that, if there should be only one Shareholder entitled to vote at any Meeting of Shareholders, the quorum for the transaction of business at the Meeting of Shareholders shall consist of the one Shareholder.

9.07 REPRESENTATIVES

The authority of an individual to represent a body corporate or association at a Meeting of Shareholders shall be established by depositing with the Corporation a certified copy of the resolution of the directors or governing body of the body corporate or association, as the case may be, granting such authority, or in such other manner as may be satisfactory to the Chair.

9.08 ACTION BY SHAREHOLDERS

The Shareholders shall act by ordinary resolution unless otherwise required by the Act, Articles, By-laws or any unanimous shareholder agreement. In case of an equality of votes either upon a show of hands or upon a poll, the Chair shall not be entitled to a second or casting vote, but may request another vote.

9.09 SHOW OF HANDS

Upon a show of hands, every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is required or demanded, a declaration by the Chair that the vote

upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Shareholders upon the said question.

9.11 BALLOTS

A ballot required or demanded shall be taken in such manner as the Chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he or she is entitled to vote at the Meeting of Shareholders upon the question, to that number of votes provided by the Act or the Articles, and the result of the ballot so taken shall be the decision of the Shareholders upon the said question.

9.11 ELECTRONIC VOTING

Notwithstanding Section 9.09, any vote referred to in Section 9.08 may be held, in accordance with the Act, partially or entirely by electronic means, telephone or other communication facility, if the Corporation has made available such a facility. Any person participating in a Meeting of Shareholders under Sections 9.02 or 9.03 and entitled to vote at the Meeting of Shareholders may vote, in accordance with the Act by electronic means, telephone or other communication facility that the Corporation has made available such purpose.

9.12 RESOLUTION IN LIEU OF MEETING

A resolution in writing signed by all the Shareholders entitled to vote on that resolution at a Meeting of Shareholders is as valid as if it had been passed at a Meeting of Shareholders. A resolution in writing may be signed in one or more counterparts.

SECTION TEN NOTICES

10.01 METHOD OF GIVING NOTICES

Except as otherwise provided herein, any notice (which term includes any communication or contract document or instrument in writing, or electronic document) to be given (which term includes sent, delivered or served) pursuant to the Act, the Articles or the By-laws or otherwise to a Shareholder, director, officer, or auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's record address or if mailed to such person at such record address by prepaid mail or if sent to such person by electronic means as permitted by, and in accordance with, the Act. The Secretary may change or cause to be changed the recorded address of any Shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by the Secretary to be reliable. The foregoing shall not be construed so as to limit the manner or effect of giving notice by any other means of communication otherwise permitted by law.

10.02 NOTICE TO JOINT HOLDERS

If two or more persons are registered as joint holders of any share, any notice may be addressed to all of such joint holders but notice addressed to one of such persons shall be sufficient notice to all of them.

10.03 COMPUTATION OF TIME

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

10.04 OMISSIONS AND ERRORS

The accidental omission to give any notice to any Shareholder, director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

10.05 PERSONS ENTITLED BY DEATH OR OPERATION OF LAW

Every person who, by operation of law, transfer, death of a Shareholder or any other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the Shareholder from whom such person derives title to such share prior to such person's name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which such person became so entitled) and prior to such person furnishing to the Corporation the proof of authority or evidence of such person's entitlement prescribed by the Act.

SECTION ELEVEN EFFECTIVE DATE

11.01 EFFECTIVE DATE

This By-law shall come into force when made by the Board in accordance with the Act.

11.02 REPEAL

All previous by-laws of the Corporation are repealed as of the coming into force of this By-law. Such repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any Articles or predecessor charter documents of the Corporation obtained pursuant to, any such by-law prior to its repeal. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this By-law and all resolutions of the Shareholders or the Board or a committee of the Board with continuing effect passed under any repealed by-law shall continue good and valid except to the extent inconsistent with this By-law and until amended or repealed.

MADE by the Board the 31st day of March, 2019.

(signed) "Kevin O'Meara"
Chief Executive Officer

CONFIRMED by the Shareholders in accordance with the Act the 9th day of May, 2019

Appendix “E” – Board Mandate

DIRTT ENVIRONMENTAL SOLUTIONS

A. ACCOUNTABILITY

The Board of Directors (the “Board”) of the Corporation is responsible for overseeing the management of the business and affairs of the Corporation.

B. ROLE

The role of the Board is to focus on governance and stewardship of the business carried on by the Corporation and its subsidiaries as a whole. In broad terms, stewardship of the Corporation involves the Board in strategic planning, risk management, internal control integrity and external reporting and compliance. The Board will review and approve strategy and monitor performance against those strategic objectives. In fulfilling this role, the Board will regularly review the strategic plans developed by management so that they continue to be responsive to the changing business environment in which the Corporation and its subsidiaries operate

C. RESPONSIBILITIES

In fulfilling its role, the Board will:

1. Oversee Stakeholder Communication

Satisfy itself that there is effective communication between the Corporation (both the Board and management) and the Corporation’s securityholders, other stakeholders and the public by ensuring that the Corporation’s communication and disclosure policies and processes set forth under “L” below are reviewed annually by the Board.

2. Establish Strategic Goals, Performance Objectives and Operational Policies

The Board will establish a strategic planning process which ensures, among other things, that the Board has meaningful input during management’s development of the strategy. The Board is responsible for ensuring that the Corporation has a strategy which articulates broad strategic corporate objectives and the corporate values and metrics against which the performance of the Corporation and its subsidiaries will be measured. In this regard, the Board will, at least annually:

- a) Approve annual and long-term strategies which take into account, among other things, the opportunities and risks of the Corporation’s and its subsidiaries’ business.
- b) Review and approve strategic and operational policies and budgets developed by management and within which management of the Corporation and its subsidiaries will operate so that they are consistent with long-term goals.
- c) Review and approve corporate values and performance metrics against which success of the Corporation and its subsidiaries will be measured.
- d) Set targets against which to measure corporate and executive performance of the Corporation and its subsidiaries.
- e) Satisfy itself that a portion of executive compensation is linked appropriately to the Corporation’s performance.

3. Delegate Management Authority to the President and Chief Executive Officer

- a) Satisfy itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management of the Corporation and its subsidiaries.
- b) Delegate to the President and Chief Executive Officer and such other executive officers as it determines appropriate, the authority to manage the business of the Corporation and its subsidiaries and to make decisions regarding the ordinary course of business and operations in accordance with the Corporation’s Delegation of Authority, and ensure that the Delegation of Authority is reviewed annually by the Board.

- c) Satisfy itself as to the integrity of the President and Chief Executive Officer and the other executive officers and that such individuals create a culture of integrity throughout the Corporation and its subsidiaries.

4. Monitor Risk, Compliance and Corporate Performance

- a) Assess and monitor the principal risks of all aspects of the businesses in which the Corporation and its subsidiaries are engaged.
- b) Monitor performance of the Corporation and its subsidiaries against both short- term and long-term strategic plans and annual performance targets, monitor compliance with Board policies and procedures by which the Corporation operates, and monitor the effectiveness of risk management practices.
- c) Verify that the Corporation has implemented and maintains adequate and effective internal controls and management information systems which ensure the effective discharge of the Board's oversight responsibilities, including the Corporation's compliance with legal and regulatory requirements related to financial and other continuous disclosure reporting.
- d) Set the tone for the Corporation and management so as to foster ethical and responsible decision-making by management of the Corporation, and ensure that the DIRTT Code – Our Way of Doing Business (the "Code") is reviewed annually by the Board.

5. Develop Board Processes

- a) Develop procedures relating to the conduct of the Board's business and the fulfillment of the Board's responsibilities.
- b) Develop the Board's approach to corporate governance through the Corporate Governance Committee.

D. QUALIFICATIONS OF DIRECTORS

Directors are expected to have the highest personal and professional ethics and values and be committed to advancing the best interests of the Corporation. They are also expected to possess skills and competencies in areas that are relevant to the Corporation's activities and that enhance the ability of the Board to effectively supervise the business and affairs of the Corporation and its subsidiaries.

A majority of the Board must be independent. Independence shall have the meaning, as the context requires, given to it in National Instrument 52-110, Audit Committees, as may be amended from time to time. The Chair of the Board (the "Chair") is expected to be an independent director but, if the Chair is not independent, then there will be an independent Lead Director. The Chair should act as the effective leader of the Board and ensure that the Board's agenda will enable it to successfully carry out its duties.

Each director must have an understanding of the Corporation's and its subsidiaries' principal operational and financial objectives, plans and strategies, financial position and performance as well as the performance of the Corporation and its subsidiaries relative to their principal competitors. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership.

Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Corporate Governance Committee and, if determined appropriate by the Board on the recommendation of the Corporate Governance Committee, resign from the Board.

E. MAJORITY VOTING POLICY

At meetings of shareholders at which directors are to be elected, shareholders will vote in favor of, or withhold from voting for, each nominee separately. If, with respect to any particular nominee, the number of votes withheld exceeds the votes cast in favor of the nominee, then for purposes of this majority voting policy the nominee (each, a "Majority Withheld Director") shall be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law.

A Majority Withheld Director shall forthwith submit to the Chair his or her resignation from the Board. The Corporate Governance Committee is expected to recommend acceptance of the resignation offer except in situations where exceptional circumstances would warrant the Majority Withheld Director continuing to serve on the Board. Exceptional circumstances may include: (i) the Corporation would not be compliant with corporate or securities law requirements, applicable regulations or commercial agreements regarding the

composition of the Board as a result of accepting the resignation; (ii) the Majority Withheld Director is a key member of an established, active special committee which has a defined term or mandate and accepting the resignation of such director would jeopardize the achievement of the committee's mandate; or (iii) majority voting was used for a purpose inconsistent with the policy objectives of the Toronto Stock Exchange related to its majority voting requirement. In reviewing the Corporate Governance Committee's recommendation, the Board shall consider the factors considered by the Corporate Governance Committee and such additional information and factors as the Board considers to be relevant. The Board is expected to accept the recommendation of the Corporate Governance Committee and to otherwise accept the resignation offer except in situations where exceptional circumstances (including those described above) would warrant the Majority Withheld Director continuing to serve on the Board.

A Majority Withheld Director will not participate in any deliberations of the Corporate Governance Committee or the Board with respect to his or her resignation, which means, for greater certainty, a Majority Withheld Director will not attend any part of the meeting at which his or her resignation is discussed, or a related resolution is voted upon. If a Majority Withheld Director must attend the meeting in order to satisfy quorum requirements, then the director must not speak or otherwise participate in any part of the meeting where his or her resignation is discussed or considered or a related resolution is voted upon.

Notwithstanding the foregoing, in the event that a majority of the members of the Corporate Governance Committee are Majority Withheld Directors, then the Corporate Governance Committee shall not make a recommendation to the Board and, subject to the provisions hereof, the full Board shall consider whether or not to accept the resignation(s) without a recommendation from the Corporate Governance Committee.

Within ninety (90) days of receiving a Majority Withheld Director's resignation, the Board will make a decision and issue a press release either announcing the resignation of the Majority Withheld Director or explaining why it has not been accepted, a copy of which press release must be provided to the Toronto Stock Exchange. Any resignation will be effective when accepted by the Board.

Subject to any corporate law restrictions, the directors that are entitled to make a decision regarding the resignation may: (i) leave the resultant vacancy unfilled until the next annual meeting of shareholders; (ii) fill the vacancy through the appointment of a new director who merits the confidence of the shareholders; or (iii) call a special meeting of shareholders to fill the vacant position.

All proposed nominees and directors shall agree to the terms of this majority voting policy in order to be nominated or election.

This majority voting policy does not apply to contested elections in which the number of director nominees for election is greater than the number of director positions on the Board. In contested elections, the directors shall be elected by the vote of a plurality of the votes cast.

F. MEETINGS

Subject to the Corporation's by-laws and articles and the requirements under the Business Corporations Act (Alberta):

1. Scheduling

The Board will meet as often as it determines is necessary to fulfill its responsibilities. A meeting of the Board may be called by the Chair, the President and Chief Executive Officer or any two Board members. The independent directors will hold an in-camera session at each meeting of the Board at which members of management and non-independent directors shall not be in attendance. Meetings will be held at a location determined by the Chair.

2. Notice

Notice of the time and place of each meeting will be given to each member either by telephone or other electronic means not less than forty eight (48) hours before the time of the meeting. Meetings may be held at any time without notice if all of the members have waived or are deemed to have waived notice of the meeting. A member participating in a meeting will be deemed to have waived notice of the meeting.

3. Agenda

The Chair will establish the agenda for each meeting and lead discussion on meeting agenda items. The Chair shall instruct management to circulate properly prepared agenda materials to members with sufficient time to review prior to scheduled meetings. Any member may propose the inclusion of items on the agenda, request the presence of, or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

4. Distribution of Information

The Chair will distribute, or cause the Secretary to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

5. Attendance and Participation

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

6. Quorum

A majority of members of the Board will constitute a quorum for any meeting of the Board.

7. Voting and Approval

At meetings of the Board, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chair will not have a second or casting vote in addition to his or her original vote.

8. Procedures

Procedures for Board meetings will be determined by the Chair unless otherwise determined by the by-laws of the Corporation or a resolution of the Board.

9. Transaction of Business

The powers of the Board may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Board.

10. Absence of Chair

In the absence of the Chair at a meeting of the Board, the members in attendance must select one of them to act as chair of that meeting.

11. Absence of Secretary

In the absence of the Secretary at a meeting of the Board, the Board may appoint one of its members or any other person to act as secretary.

12. Committees

The Board uses committees to undertake detailed reviews and to provide in-depth oversight in key areas of Board responsibility. The Board may establish committees as it sees fit, and may delegate to the committees any powers of the Board except the power to fill vacancies in the Board, or to approve or remove officers appointed by the Board.

Current standing committees of the Board are:

- a) Audit Committee
- b) Corporate Governance Committee; and
- c) Human Resources & Compensation Committee.

Each committee will establish a separate written charter which sets out the powers and duties of the committee, accountability, and its rules and procedures.

G. SERVICE ON OTHER BOARDS AND AUDIT COMMITTEE

The Board does not believe that its members should be prohibited from serving on the boards of other companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another company and, as a general rule, directors are not allowed to join a board of another company on which two or more other directors of the Corporation serve. In addition, directors cannot be on the board of a direct competitor of the Corporation.

Directors may not serve on the Board if they are on more than four public company boards. Directors who serve as Chief Executive Officer at a public company may not serve on the Board if they are on more than one outside public company board.

Members of the Audit Committee may not serve on the audit committees of more than two other public companies without the prior approval of the Board.

H. ACCESS TO OUTSIDE ADVISORS AND RECORDS

The Board may retain any outside advisor at the expense of the Corporation at any time and has the authority to determine any such advisors' fees and other retention terms. Any director may, subject to the approval of the Chair, retain an outside advisor at the expense of the Corporation.

The Board, and any outside advisors retained by it, will have access to all records and information relating to the Corporation which it deems relevant to the performance of its duties.

I. EVALUATION OF BOARD, DIRECTORS AND COMMITTEES

Through the Corporate Governance Committee, the Board will undertake annual evaluations of the effectiveness of the Board as a whole, all committees of the Board and each individual director to ensure they are fulfilling their respective roles and responsibilities.

J. ORIENTATION AND CONTINUING EDUCATION OF DIRECTORS

The Corporation is best served by a Board comprised of individuals who are well versed in modern principles of corporate governance and other subject matters relevant to Board service and who thoroughly comprehend the role and responsibilities of an effective Board in the oversight and management of the Corporation and its subsidiaries. On behalf of the Board, the Corporate Governance Committee will confirm that procedures are in place and resources are made available to provide new directors with a proper orientation to both the Corporation and their responsibilities and duties as directors, and to provide other directors with appropriate continuing education opportunities.

K. MANAGEMENT

1. Management's Role

- a) The primary responsibility of management of the Corporation and its subsidiaries is to preserve and enhance long-term value, ensure the Corporation meets its obligations on an ongoing basis and ensure the Corporation operates in a reliable and responsible manner. When performance is found to be inadequate, the Board has the responsibility to bring about appropriate change.
- b) In managing the Corporation, management should also have regard to the legitimate interests of the Corporation's other stakeholders, such as the Corporation's employees, distribution partners, creditors and the communities in which the Corporation operates.

2. Management's Relationship to the Board

- a) Senior management of the Corporation and its subsidiaries, primarily through the President and Chief Executive Officer, reports to and is accountable to the Board, or the board of such subsidiary which, in turn, is accountable to the Board.
- b) Business plans are developed to ensure the compatibility of securityholder, Board and senior management views on the Corporation's and its subsidiaries' strategic direction, performance targets and utilization of shareholders' equity. A special meeting of the Board is held each year to review the strategic initiatives and the business plan submitted by senior management of the Corporation and its subsidiaries.

3. Board Access to Business Information and Management

- a) Information provided by and access to management is critical to Board effectiveness. In addition to the reports presented to the Board at its regular and special meetings, the Board is also kept informed on a timely basis by management of the Corporation and its subsidiaries with respect to developments and key decisions taken by management in the execution of the Corporation's and its subsidiaries' strategic and business plans. The directors periodically assess the quality, completeness and timeliness of information provided by management to the Board.

4. Management Performance Review and Rewards

- a) The Compensation Committee annually reviews the position description of the President and Chief Executive Officer and establishes goals and objectives against which his or her performance is reviewed, with his or her compensation being assessed against these agreed goals and objectives. Similar reviews and assessments are undertaken for other members of senior management in consultation with the President and Chief Executive Officer.
- b) The compensation plans of the Corporation and its subsidiaries are based on maintaining a direct link between management rewards and the achievement of agreed goals and objectives while ensuring that such plans do not induce inappropriate risk-taking.

L. COMMUNICATION AND DISCLOSURE POLICIES

The Corporation endeavors to keep its securityholders informed of its progress through an annual report, annual information form, quarterly interim reports and periodic press releases. It also maintains a website that provides summary information about the Corporation and ready access to its published reports, press releases, statutory filings and supplementary information provided to analysts and investors. Directors and management meet with the Corporation's securityholders at the annual meeting and are available to receive feedback and respond to questions at that time.

The Corporation also maintains an investor relations program to respond to inquiries in a timely manner. Management meets on a regular basis with investment analysts, financial advisors and interested members of the public to ensure that accurate information is available to investors, including quarterly conference calls and webcasts to discuss the Corporation's financial results. The Corporation also endeavors to ensure that the media is kept informed of developments as they occur, and have an opportunity to meet and discuss these developments with the Corporation's designated spokespersons.

All such communications are subject to the Corporation's Disclosure and Insider Trading Policy and Stakeholder Engagement Policy. The Corporation's Disclosure and Insider Trading Policy sets out its policies and practices regarding disclosure of material information to investors, analysts and the media. The purpose of the Disclosure and Insider Trading Policy is to ensure that the Corporation's communications with the investment community are timely, consistent and in compliance with all applicable securities legislation. The Disclosure and Insider Trading Policy is reviewed annually by the Board and will be available on the Corporation's website.

The Corporation's Stakeholder Engagement Policy outlines how management and the Board communicate with stakeholders and how stakeholders can communicate with management and the Board. The purpose of the Stakeholder Engagement Policy is to emphasize the Corporation's commitment to consistent and meaningful engagement with stakeholders. The Stakeholder Engagement Policy is reviewed annually by the Board and will be available on the Corporation's website.

M. CODE OF CONDUCT AND ETHICS

The Board expects all directors, officers and employees of the Corporation and its subsidiaries to conduct themselves in accordance with the highest ethical standards and to adhere to the Code. Waivers of the Code will only be granted in exceptional circumstances where the waiver would not be inconsistent with the spirit of the Code and following consultation with legal counsel. Any waiver of the Code for officers or directors may only be made by the Board or the Corporate Governance Committee and will be disclosed to securityholders by the Corporation to the extent required by law, regulation or stock exchange requirement. Employees, other than officers, may seek waivers from the President and Chief Executive Officer and any such waivers will be promptly reported to the Board.

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