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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 20-F**

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2020

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

Commission file number: 000-55135

**POET TECHNOLOGIES INC.**

(Exact name of Registrant as specified in its charter)

Ontario, Canada  
(Jurisdiction of incorporation or organization)

1107 – 120 Eglinton Avenue East  
Toronto, Ontario, M4P 1E2, Canada  
(Address of principal executive offices)

Suresh Venkatesan, CEO

Email: [svv@poet-technologies.com](mailto:svv@poet-technologies.com)  
(Name, Telephone, Email and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act: None.

Securities registered or to be registered pursuant to Section 12(g) of the Act: Common Stock, no par value.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: Not Required.

The number of outstanding shares of common stock, no par value, as of December 31, 2020 was 294,618,104

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in the Exchange Act.

Large accelerated filer  Accelerated filer  Emerging Growth Company  Non-accelerated filer

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued by the International Accounting Standards Board  Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

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POET TECHNOLOGIES INC.  
FORM 20-F ANNUAL REPORT  
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## INTRODUCTION

POET Technologies Inc. is organized under the Business Corporations Act (Ontario). In this Annual Report, the “Company”, “we”, “our”, “POET” and “us” refer to POET Technologies Inc. and its subsidiaries (unless the context otherwise requires). We refer you to the documents attached as exhibits hereto for more complete information than may be contained in this Annual Report. Our principal Canadian corporate offices are located at Suite 1107, 120 Eglinton Avenue East, Toronto, Ontario M4P 1E2, Canada. Our U.S office is located in the U.S. 1605 N. Cedar Crest Boulevard, Allentown, PA, 18104. Our telephone number in Toronto is (416) 368-9411.

We file reports and other information with the Securities and Exchange Commission (“SEC”) located at 100 F Street NE, Washington, D.C. 20549. You may obtain copies of our filings with the SEC by accessing their website located at [www.sec.gov](http://www.sec.gov). We also file reports under Canadian regulatory requirements on SEDAR; you may access our reports filed on SEDAR by accessing the website [www.sedar.com](http://www.sedar.com).

This Annual Report (including the consolidated audited financial statements for the years ended December 31, 2020, 2019 and 2018 attached thereto, together with the auditors’ report thereon), and the exhibits thereto shall be deemed to be incorporated by reference as exhibits to the Registration Statement of the Company on Form F- 10, as amended (File No. 333-227873), and to be a part thereof from the date on which this report was filed, to the extent not superseded by documents or reports subsequently filed or furnished.

## Business of POET Technologies Inc.

POET designs, develops, manufactures and sells integrated opto-electronic solutions for data communications and telecommunications markets. POET has developed and is marketing its proprietary POET Optical Interposer™ platform which utilizes a novel waveguide technology that allows the integration of electronic and photonic devices into a single multi-chip module. The integration of devices into a single package is achieved by applying advanced wafer-level semiconductor manufacturing techniques and novel packaging methods developed by POET. POET's Optical Interposer eliminates costly components, assembly and testing methods employed in conventional photonics solutions. In addition to lowering costs compared to conventional devices, POET's Optical Interposer provides a flexible and scalable platform for a variety of photonics applications ranging from data centers to consumer products.

On October 20, 2020, the Company signed a Joint Venture Agreement (“JVA”) establishing a joint venture company, Super Photonics Integrated Circuit Xiamen Co., Ltd (“SPX”) with Xiamen Sanan Integrated Circuit Co. Ltd. (“Sanan IC”) whose purpose is to assemble, test, package and sell cost-effective, high-performance optical engines based on POET's proprietary Optical Interposer platform technology.

SPX'S capitalization is a combination of committed cash, capital equipment and intellectual property from Sanan IC and intellectual property and know-how from POET, with a combined estimated value of approximately US\$50M.

Sanan IC is a world-class wafer foundry service company with an advanced compound semiconductor technology platform, serving the optical, RF microelectronics and power electronics markets. Sanan IC is a wholly owned subsidiary of Sanan Optoelectronics Co., Ltd. (Shanghai Stock Exchange, SSE: 600703), the leading manufacturer of advanced ultra-high brightness LED epitaxial wafers and chips in the world.

SPX is expected to assemble, test, package and sell 100G, 200G and 400G optical engines with customized lasers and photodiodes from Sanan IC combined with optical interposer platform technology from POET. Optical engines are a primary components of optical transceivers that transmit data between switches and servers in data centers and between data centers and metro areas. With assembly and test operations built upon the non-linear, wafer-scale methods of the semiconductor industry, compared to the linear scale of conventional photonics assembly, SPX will be able to offer optical engines at dramatically lower cost and higher performance. Device volumes can scale rapidly with marginal investments in capital equipment and labor compared to conventional methods. This ability to manufacture optical engines at the large-scale volumes as needed, offer the opportunity for SPX and POET to penetrate rapidly the large markets for high-speed data communications applications, including internet data centers and 5G carrier networks.

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During the twelve months ended December 31, 2020, the Company reported net loss from continuing operations before taxes of \$18,169,070.

The net loss included \$6,634,317 incurred for research and development activities directly related to the development and commercialization of the POET Optical Interposer Platform. Research and development included non-cash costs of \$567,859 related to stock-based compensation. \$8,137,998 was incurred for selling, marketing and administration expenses which included non-cash costs of \$3,045,086 related to stock-based compensation and \$813,103 related to depreciation and amortization.

The Company incurred \$937,903 of interest expense, of which \$524,095 was non-cash, related to funds borrowed at various dates and from various lenders in 2019 by way of convertible debentures. During the period, \$369,545 worth of the convertible debentures were converted into 1,235,000 units of the Company. Each unit consists of one common share and one common share purchase warrant of the Company.

The Company's balance sheet as of December 31, 2020 reflects assets with a book value of \$11,636,728 compared to \$24,077,355 as of December 31, 2019. Sixty-four percent (64%) of the book value at December 31, 2020 was in current assets consisting primarily of cash and cash equivalents of \$6,872,894 compared to eighty-four percent



(84%) of the book value as of December 31, 2019, which consisted primarily of receivable from the sale of discontinued operations of \$18,000,000.

On February 11, 2021, subsequent to the year end, the Company completed a brokered private placement offering of 17,647,200 units at a price of \$0.67 (CAD\$0.85) per unit for gross proceeds of \$11,811,118 (CAD\$15,000,120). Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.90 (CAD\$1.15) per share until February 11, 2023. At any time after June 12, 2021, the Company reserves the right to accelerate the expiry of the warrants if the Company's average stock price exceeds \$1.81 (CAD\$2.30) for a period of 10 consecutive trading days. The broker was paid a cash commission of \$708,667 (CAD\$900,007) equating to 6% of the gross proceeds and received 1,058,832 broker warrants. Each broker warrant is exercisable into one common share of the Company at a price of \$0.67 (CAD\$0.85) per broker warrant until February 11, 2023.

In addition to funds received from the brokered private placement, subsequent to December 31, 2020 the Company received \$8,441,240 (CAD\$10,714,953) from the exercise of stock options and warrants. The Company also improved its liquidity by \$1,709,526 (CAD\$2,170,000) through the conversion of convertible debentures into common shares of the Company.

## Financial and Other Information

In this Annual Report, unless otherwise specified, all dollar amounts are expressed in United States Dollars ("US\$", "USD" or "\$").

### Cautionary Statements Regarding Forward-Looking Statements

This Annual Report on Form 20-F and other publicly available documents, including the documents incorporated herein and therein by reference contain forward- looking statements and information within the meaning of U.S. and Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward- looking terminology or words, such as, "continues", "with a view to", "is designed to", "pending", "predict", "potential", "plans", "expects", "anticipates", "believes", "intends", "estimates", "projects", and similar expressions or variations thereon, or statements that events, conditions or results "can", "might", "will", "shall", "may", "must", "would", "could", or "should" occur or be achieved and similar expressions in connection with any discussion, expectation, or projection of future operating or financial performance, events or trends. Forward-looking statements and information are based on management's current expectations and assumptions, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.

Our actual results, performance and achievements may differ materially from those expressed in, or implied by, the forward-looking statements and information in this Annual Report as a result of various risks, uncertainties and other factors, many of which are difficult to predict and generally beyond the control of the Company, including without limitation:

- o we have a limited operating history;
- o our need for additional financing, which may not be available on acceptable terms or at all;
- o the possibility that we will not be able to compete in the highly competitive semiconductor market;
- o the risk that our objectives will not be met within the timelines we expect or at all;
- o research and development risks;
- o the risks associated with successfully protecting patents and trademarks and other intellectual property;
- o the need to control costs and the possibility of unanticipated expenses;
- o manufacturing and development risks;

- o the risk that the price of our common stock will be volatile;
- o the risk that geopolitical uncertainties may negatively impact our business venture in China;
- o the risk that shareholders' interests will be diluted through future stock offerings, option and warrant exercises; and
- o other risks and uncertainties described in ITEM 3.D. "Risk Factors".

For all of the reasons set forth above, investors should not place undue reliance on forward-looking statements. Other than any obligation to disclose material information under applicable securities laws or otherwise as maybe required by law, we undertake no obligation to revise or update any forward-looking statements after the date hereof.

Data relevant to estimated market sizes for our technologies under development are presented in this Annual Report. These data have been obtained from a variety of published resources including published scientific literature, websites and information generally available through publicized means. The Company attempts to source reference data from multiple sources whenever possible for confirmatory purposes. However, the Company has not independently verified the accuracy and completeness of this data.

## PART I

### ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISORS

A. Not Required.

### ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Required.

### ITEM 3. KEY INFORMATION

#### A. Selected Financial Data

The selected financial data of the Company for the years ended December 31, 2020, 2019 and 2018 was derived from the audited annual consolidated financial statements of the Company, which have been audited by Marcum LLP, independent registered public accounting firm. Selected financial data of the Company for the years ended December 31, 2017 and 2016 was derived from the consolidated financial statements of the Company, which are not included in this Annual Report.

The information contained in the selected financial data for the 2020, 2019 and 2018 years is qualified in its entirety by reference to the Company's audited consolidated financial statements and related notes included under the heading "ITEM 17". Financial Statements" and should be read in conjunction with such financial statements and related notes and with the information appearing under the heading "ITEM 5".

Operating and Financial Review and Prospects." Except where otherwise indicated, all amounts are presented in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company has financed its operations from public and private sales of equity securities, issuance of convertible debentures, proceeds received upon the exercise of warrants and stock options, sales of the Company's photonic products and, prior to 2012, by sales of solar energy equipment products. The Company has never been profitable, so its ability to finance operations has been dependent on equity financings. Since 2016, through its former subsidiary, DenseLight, the Company generated cash flow from the sale of its photonic sensing products and NRE. We believe, however, that it will need to rely on the sale of equity securities, debt securities or a combination

of both, to provide funds for its activities on an ongoing basis until we have concluded the development of the Optical Inter-poser. See ITEM 3.D. “Risk Factors.”

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the foreseeable future.

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Consolidated Statements of Operations Under  
International Financial Reporting Standards  
(US\$)

Years Ended December 31,	<u>2020</u>	<u>2019</u>	<u>Restated<sup>(1)</sup></u> <u>2018</u>	<u>Restated<sup>(1)</sup></u> <u>2017</u>	<u>Restated<sup>(1)</sup></u> <u>2016</u>
Operating Expenses					
Selling, marketing and administrative	\$ 8,137,998	\$ 6,697,387	\$ 6,173,875	\$ 5,887,709	\$ 8,178,901
Research and development	6,634,317	2,083,815	2,262,476	2,039,421	2,122,983
Operating Expenses	14,772,315	8,781,202	8,436,351	7,927,130	10,301,884
Impairment of long-lived assets	-	1,764,459	-	-	-
Interest expense	937,903	819,911	-	-	63,522
Amortization of debt issuance costs	-	372,340	-	-	-
Other income, including interest	(41,148)	(10,540)	(14,234)	(18,279)	(52,845)
Credit loss on receivable from the sale of discontinued operations	2,500,000				
Loss on disposal of property and equipment		-	-	-	46,738
Net loss from continuing operations, before taxes	18,169,070	11,727,372	8,422,117	7,908,851	10,359,299
Income tax recovery	-	(292,740)	-	-	-
Net loss from continuing operations	(18,169,070)	(11,434,632)	(8,422,117)	(7,908,851)	(10,359,299)
Income (loss) from discontinued operations, net of taxes	-	5,481,757	(7,900,662)	(4,888,946)	(2,865,385)
Net loss	(18,169,070)	(5,952,875)	(16,322,779)	(12,797,797)	(13,224,684)
Deficit, beginning of year	(139,148,807)	(133,195,932)	(116,873,153)	(104,075,356)	(90,850,672)
Deficit, end of year	\$(157,317,877)	\$(139,148,807)	\$(133,195,932)	\$(116,873,153)	\$(104,075,356)
Basic and diluted loss per share, continuing operations	\$ (0.06)	\$ (0.04)	\$ (0.03)	\$ (0.03)	\$ (0.05)
Basic and diluted income (loss) per share, discontinued operations	-	\$ 0.02	\$ (0.03)	\$ (0.02)	\$ (0.01)
Basic and diluted loss per share	\$ (0.06)	\$ (0.02)	\$ (0.06)	\$ (0.05)	\$ (0.06)

(1) The information above has been restated to present DenseLight results as discontinued operations for the years 2016 – 2018.

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Consolidated Statements of Discontinued Operations Under  
International Financial Reporting Standards  
(US\$)

	2020	For the Period from January 1, 2019 to November 8, 2019	2018	For the Years Ended December 31, 2017	2016
Revenue	-	\$ 4,426,355	\$ 3,888,185	\$ 2,794,044	\$ 1,861,747
Cost of Revenue	-	1,201,373	1,475,969	1,342,691	946,001
Gross Margin	-	3,224,982	2,412,216	1,451,353	915,746
Operating Expenses	-				
Selling, marketing and administrative	-	1,950,526	5,515,329	4,983,032	3,242,703
Research and development	-	5,677,222	6,430,328	3,403,452	1,042,842
Operating Expenses	-	7,627,748	11,945,657	8,386,484	4,285,545
Interest expense	-	74,494	-	-	-
Impairment loss	-	-	156,717	-	-
Other income	-	(1,251,737)	(1,491,556)	(1,748,245)	(14,027)
Expenses	-	6,450,505	10,610,818	6,638,239	4,271,518
Net loss from operations	-	(3,225,523)	(8,198,602)	(5,186,886)	(3,355,772)
Change in fair value contingent consideration	-	-	-	-	283,130
Gain on sale of discontinued operations, net of taxes	-	8,707,280	-	-	-
Net income (loss) from discontinued operations	-	5,481,757	(8,198,602)	(5,186,886)	(3,072,642)
Income tax recovery	-	-	297,940	297,940	207,257
Income (loss) from discontinued operations, net of income taxes	-	\$ 5,481,757	\$ (7,900,662)	\$(4,888,946)	\$(2,865,385)

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Consolidated Statements  
of Financial Position  
Under International  
Financial Reporting  
Standards  
(US\$)

	December 31,				
	2020	2019	2018	2017	2016
<b>Assets</b>					
Cash and cash equivalents	\$ 6,872,894	\$ 1,428,129	\$ 2,567,868	\$ 4,974,478	\$ 14,376,282
Short-term investments	-	-	-	-	589,275
Accounts receivable	-	-	946,944	493,925	292,849
Receivable from the sale of discontinued operations	-	18,000,000	-	-	-
Prepays and other current assets	618,717	831,265	2,936,619	1,957,727	758,917
Inventory	-	-	436,833	524,582	1,116,880

Property and equipment	3,185,754	3,143,060	9,299,513	8,278,170	9,364,210
Patents and licenses	438,677	452,384	466,714	456,250	449,676
Right of use asset	520,686	222,517	-	-	-
Intangible assets	-	-	802,409	839,637	876,865
Goodwill	-	-	7,681,003	7,681,003	7,681,003
<b>Total Assets</b>	<b>\$ 11,636,728</b>	<b>\$ 24,077,355</b>	<b>\$ 25,137,903</b>	<b>\$ 25,205,772</b>	<b>\$ 35,505,957</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 1,730,361	\$ 1,725,708	\$ 3,040,422	\$ 810,593	\$ 1,624,344
Covid-19 government support loans	147,841	-	-	-	-
Lease liability	172,949	90,504	-	-	-
Convertible debentures	3,341,246	3,089,033	-	-	-
Non-current covid-19 government support loans	70,310	-	-	-	-
Non-current lease liability	359,048	133,254	-	-	-
Deferred tax liability	-	-	1,000,427	1,298,367	1,596,307
Deferred rent	-	-	1,814	24,031	42,665
<b>Total Liabilities</b>	<b>5,821,755</b>	<b>5,038,499</b>	<b>4,042,663</b>	<b>2,132,991</b>	<b>3,263,316</b>
<b>Shareholders' Equity</b>					
Share capital	114,586,260	112,144,172	112,028,194	103,616,221	103,357,862
Equity component of convertible debentures	565,121	627,511	-	-	-
Warrants and compensation options	5,557,002	8,525,358	8,303,738	5,985,378	5,985,378
Contributed surplus	44,407,679	38,799,337	36,042,754	32,102,967	29,062,874
Accumulated other comprehensive loss	(1,983,212)	(1,908,715)	(2,083,514)	(1,758,632)	(2,088,117)
Deficit	(157,317,877)	(139,148,807)	(133,195,932)	(116,873,153)	(104,075,356)
<b>Total Shareholders' Equity</b>	<b>5,814,973</b>	<b>19,038,856</b>	<b>21,095,240</b>	<b>23,072,781</b>	<b>32,242,641</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 11,636,728</b>	<b>\$ 24,077,355</b>	<b>\$ 25,137,903</b>	<b>\$ 25,205,772</b>	<b>\$ 35,505,957</b>

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#### B. Capitalization and Indebtedness

During 2019 the Company closed five tranches of a private placement of the Convertible Debentures that raised gross proceeds of \$3,729,921. The Convertible Debentures, bear interest at 12% per annum, compounded annually with 1% payable at the beginning of each month and mature two years from the date of issue. \$2,388,253 was owed on convertible debentures at March 31, 2021. All, \$1,341,668 that were settled, were settled through conversion into units of the Company. The Company has not paid any cash to settle the convertible debentures.

A summary of the Company's indebtedness is as follows:

Issue Date	Maturity Date	Loan	Repayment/Conversion	Balance	
				March 31, 2021	December 31, 2020
03-Apr-19	03-Apr-21	\$ 1,449,752	\$ (366,981)	\$ 1,082,771	\$ 1,518,613
03-May-19	03-May-21	1,087,408	(777,884)	309,524	949,971
03-Jun-19	03-Jun-21	641,328	(84,185)	557,143	579,404
02-Aug-19	02-Aug-21	414,205	(112,618)	301,587	337,593
06-Sep-19	06-Sep-21	137,228	-	137,228	142,888
Balance		\$ 3,729,921	\$ (1,341,668)	\$ 2,388,253	\$ 3,528,469

### C. Reasons for the Offer and Use of Proceeds

Not Required.

### D. Risk Factors

We are subject to various risks, including those described below, which could materially adversely affect our business, financial condition and results of operations and, in turn, the value of our securities. In addition, other risks not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition and results of operations, perhaps materially. The risks discussed below also include forward-looking statements and information within the meaning of U.S. and Canadian securities laws that involve risks and uncertainties. The Company's actual results may differ materially from the results discussed in the forward-looking statements and information. Factors that might cause such differences include those discussed. Before making an investment decision with respect to any of our securities, you should carefully consider the following risks and uncertainties described below and elsewhere in this Annual Report. See also "Cautionary Statement Regarding Forward-Looking Statements."

#### Risks Related to Our Business

***We have a history of large operating losses. We may not be able to achieve or sustain profitability in the future and as a result we may not be able to maintain sufficient levels of liquidity.***

We have historically incurred losses and negative cash flows from operations since our inception. As of December 31, 2020, we had an accumulated deficit of \$157,317,877. For the years ended December 31, 2020, 2019 and 2018, we incurred net losses of 18,169,070, \$5,952,875 and \$16,322,779, respectively.

As of December 31, 2020, we held \$6,872,894 in cash and cash equivalents, and we had working capital of \$2,099,214.

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***We divested our major operating asset, adopted a new "fab-light" strategy, and we plan to focus on the Optical Interposer as our main business. Any or all of these decisions if incorrect may have a material adverse effect on the results of our operations, financial position and cash flows, and pose further risks to the successful operation of our business over the short and long-term.***

There are substantial risks associated with our adoption of a "fab-light" strategy, including the immediate loss of all or a substantial part of our revenue, the loss of control over an internal development asset, and the loss of key technical knowledge available from personnel who will no longer be employed by the Company, many of whom we may have to replace.

We have some previous experience with managing development without an internal development resource under a similar "fab-light" strategy which was not successful, and there is no guarantee that our new approach to operating a company with our chosen strategy will be successful. Further, our strategy will be solely dependent on the future market acceptance and sale of Optical Interposer-based solutions, which are either not fully developed or are in qualification stages, and which no customer has yet fully committed to adopting in a production product.

We have taken substantial measures to protect POET's intellectual property in the Optical Interposer, including development and production with a separate third-party company which engaged no DenseLight engineering personnel. We conducted development of component devices separately at our DenseLight facility and took measures to protect POET's intellectual property on those developments as well. However, we cannot guarantee that all our measures to protect our intellectual property on either the POET Optical Interposer or its component devices have been totally effective. Following divestment, we will have little or no control over any leakage of certain proprietary information or know-how and additional development with the DenseLight operation on component devices may expose our intellectual property to parties that we cannot control. Further, we cannot guarantee that DenseLight or any other third-party that we rely on to perform development, manufacturing, packaging or testing services will perform as expected and produce the devices we will need to grow our Optical Interposer business.

There can be no assurance that we will be successful in addressing these or any other significant risks we may encounter in the divestment of DenseLight, the adoption of a “fab-light” strategy or the focus of our business solely on the Optical Interposer.

***We may not be able to obtain additional capital when desired, on favorable terms or at all.***

We operate in a market that makes our prospects difficult to evaluate and, to remain competitive, we will be required to make continued investments in capital equipment, facilities and technology. We expect that substantial capital will be required to continue technology and product development, to expand our contract manufacturing capacity if we need to do so and to fund working capital for anticipated growth. If we do not generate sufficient cash flow from operations or otherwise have the capital resources to meet our future capital needs, we may need additional financing to implement our business strategy.

If we raise additional funds through the issuance of our common stock or convertible securities, the ownership interests of our stockholders could be significantly diluted. These newly issued securities may have rights, preferences or privileges senior to those of existing stockholders. Additional financing may not, however, be available on terms favorable to us, or at all, if and when needed, and our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our infrastructure or respond to competitive pressures could be significantly limited. If we cannot raise required capital when needed we may be unable to continue technology and product development, meet the demands of existing and prospective customers, adversely affecting our sales and market opportunities and consequently our business, financial condition and results of operations.

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***The process of developing new, technologically advanced products in semiconductor manufacturing and photonics products is highly complex and uncertain, and we cannot guarantee a positive result.***

The development of new, technologically advanced products is a complex and uncertain process requiring frequent innovation, highly-skilled engineering and development personnel and significant capital, as well as the accurate anticipation of technological and market trends. We cannot assure you that we will be able to identify, develop, manufacture, market or support new or enhanced products successfully or on a timely basis. Further, we cannot assure you that our new products will gain market acceptance or that we will be able to respond effectively to product introductions by competitors, technological changes or emerging industry standards. We also may not be able to develop the underlying core technologies necessary to create new products and enhancements, license these technologies from third parties, or remain competitive in our markets.

***The optical data communications industry in which we have chosen to operate is subject to significant risks, including rapid growth and volatility, dependence on rapidly changing underlying technologies, market and political risks and uncertainties and extreme competition. We cannot guarantee that we will be able to anticipate or overcome any or all of these risks and uncertainties, especially as a small company operating in an environment dominated by large, well-capitalized competitors with substantially more resources.***

The optical data communications industry is subject to significant operational fluctuations. In order to remain competitive, we incur substantial costs associated with research and development, qualification, prototype production capacity and sales and marketing activities in connection with products that may be purchased, if at all, long after we have incurred such costs. In addition, the rapidly changing industry in which we operate, the length of time between developing and introducing a product to market, frequent changing customer specifications for products, customer cancellations of products and general down cycles in the industry, among other things, make our prospects difficult to evaluate. As a result of these factors, it is possible that we may not (i) generate sufficient positive cash flow from operations; (ii) raise funds through the issuance of equity, equity-linked or convertible debt securities; or (iii) otherwise have sufficient capital resources to meet our future capital or liquidity needs. There are no guarantees we will be able to generate additional financial resources beyond our existing balances.

***We have contributed a portion of our intellectual property and exclusive assembly and sales rights for certain key initial products to a joint venture company that we have recently formed in China. Although we believe that the joint venture offers significant opportunities for growth that we might not otherwise have and solves several major known challenges, we also recognize that there are substantial risks and uncertainties associated***

***with executing a major portion of our strategy through a joint venture, regardless of the intentions and capabilities of the parties involved.***

On October 22, 2020, the Company signed a Joint Venture Agreement (“JVA”) with Sanan IC to form a joint venture company, Super Photonics Xiamen Co., Ltd. (“SPX”), which will eventually be owned 48% by the Company. SPX will assemble, test, package and sell certain optical engines on an exclusive basis globally and certain others on an exclusive basis in the territory of Greater China. Optical engines based on the POET Optical Interposer are expected to be a primary component of several types of optical transceivers used in data centers. The joint venture is based on the contribution by the Company of certain assembly and test know-how and other intellectual property and cash to be contributed by Sanan IC in stages, subject to meeting certain milestones, to cover all capital and operating expenses of SPX until it is self-sustaining. We cannot guarantee that SPX will meet each milestone or that Sanan IC will or will not contribute capital on schedule when and if such milestones are met, nor can we guarantee that SPX will be successful in assembling and testing optical engines, nor in the marketing and sales once the optical engines are tested and qualified by potential customers.

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***The Company’s investment into “Super Photonics Xiamen” (“SPX”) is into an independent company operating as a true joint venture under the laws of the Peoples Republic of China (“PRC”). There are significant governance and operational risks associated with joint ventures and with companies operating in the PRC, in general. We cannot guarantee that we will be able to anticipate or overcome the risks and uncertainties of operating a joint venture company in China.***

Although SPX has its own governance structure to which both parties contribute directors, most major decisions must be unanimous, which means that such decisions will require the support of the management of SPX and both of the JV partners. Although the Company has sought the support of well-known and competent legal and other professional advisors and has had a major role in the recruitment of the senior management team of SPX, the Company has no prior experience with either the operation of a joint venture or with the operation of a JV company under the laws of the PRC, so we cannot guarantee that the joint venture will be successfully managed without substantial investment in time and effort by the Company’s current management team or at all

***If our customers do not qualify our products for use on a timely basis, our results of operations may suffer.***

Prior to the sale of new products, our customers typically require us to “qualify” our products for use in their applications. At the successful completion of this qualification process, we refer to the resulting sales opportunity as a “design win.” Additionally, new customers often audit our manufacturing facilities and perform other evaluations during this qualification process. The qualification process involves product sampling and reliability testing and collaboration with our product management and engineering teams in the design and manufacturing stages. If we are unable to accurately predict the amount of time required to qualify our products with customers, or are unable to qualify our products with certain customers at all, then our ability to generate revenue could be delayed or our revenue would be lower than expected and we may not be able to recover the costs associated with the qualification process or with our product development efforts, which would have an adverse effect on our results of operations.

***We have limited operating history in the data center market, and our business could be harmed if this market does not develop as we expect.***

The initial target market for our Optical Interposer-based optical engine is the data center market for data communications within the data center and beyond. We have limited experience in selling products in this market. We may not be successful in developing a product for this market and even if we do, it may never gain widespread acceptance by large data center operators. If our expectations for the growth of the data center / datacom market are not realized, our financial condition or results of operations may be adversely affected.

***Customer demand is difficult to forecast accurately and, as a result, we may be unable to match production with customer demand.***

We make planning and spending decisions, including determining the levels of business that we will seek and accept, production schedules, component procurement commitments, personnel needs and other resource requirements, based on our estimates of product demand and customer requirements. Our products are typically



sold pursuant to individual purchase orders. While our customers may provide us with their demand forecasts, they are typically not contractually committed to buy any quantity of products beyond firm purchase orders. Furthermore, many of our customers may increase, decrease, cancel or delay purchase orders already in place without significant penalty. The short-term nature of commitments by our expected customers and the possibility of unexpected changes in demand for their products reduce our ability to accurately estimate future customer requirements. If any of our customers decrease, stop or delay purchasing our products for any reason, we will likely have excess manufacturing capacity or inventory and our business and results of operations would be harmed.

***The markets in which we operate are highly competitive, which could result in lost sales and lower revenues.***

The market for optical components and modules is highly competitive and this competition could result in our existing customers moving their orders to our competitors. We are aware of a number of companies that have developed or are developing integrated optical products, including silicon photonics engines, remote light sources, pluggable components, modules and subsystems, photonic integrated circuits, among others, that compete (or may in the future compete) directly with our current and proposed product offerings.

Some of our current competitors, as well as some of our potential competitors, have longer operating histories, greater name recognition, broader customer relationships and industry alliances and substantially greater financial, technical and marketing resources than we do. We may not be able to compete successfully with our competitors and aggressive competition in the market may result in lower prices for our products and/or decreased gross margins. Any such development could have a material adverse effect on our business, financial condition and results of operations.

***We depend on a limited number of suppliers and key contract manufacturers who could disrupt our business and technology development activities if they stopped, decreased, delayed or were unable to meet our demand for shipments of their products or manufacturing of our products.***

We depend on a limited number of suppliers of epitaxial wafers and contract manufacturers for our Indium Phosphide (“InP”) development and optical interposer production activities. Some of these suppliers are sole source suppliers. We typically have not entered into long-term agreements with our suppliers. As a result, these suppliers generally may stop supplying us materials and other components at any time. Our reliance on a sole supplier or limited number of suppliers could result in delivery problems, reduced control over technology development, product development, pricing and quality, and an inability to identify and qualify another supplier in a timely manner. Some of our suppliers that may be small or under-capitalized may experience financial difficulties that could prevent them from supplying us materials and other components. In addition, our suppliers, including our sole source suppliers, may experience manufacturing delays or shutdowns due to circumstances beyond their control such as earthquakes, floods, fires, labor unrest, political unrest or other natural disasters. A change in supplier could require technology transfer that could require multiple iterations of test wafers. This could result in significant delays in resumption of production.

Any supply deficiencies relating to the quality or quantities of materials or equipment we use to manufacture our products could materially and adversely affect our ability to fulfill customer orders and our results of operations. Lead times for the purchase of certain materials and equipment from suppliers have increased and, in some cases, have limited our ability to rapidly respond to increased demand, and may continue to do so in the future. To the extent we introduce additional contract manufacturing partners, introduce new products with new partners and/or move existing internal or external production lines to new partners, we could experience supply disruptions during the transition process. In addition, due to our customers’ requirements relating to the qualification of our suppliers and contract manufacturing facilities and operations, we cannot quickly enter into alternative supplier relationships, which prevent us from being able to respond immediately to adverse events affecting our suppliers.

***Our international business and operations expose us to additional risks.***

We have significant tangible assets located outside Canada and the United States. We have operating facilities located in Singapore. Conducting business outside Canada and the United States subjects us to a number of additional risks and challenges, including:

- periodic changes in a specific country's or region's economic conditions, such as recession;
- licenses and other trade barriers;

- the provision of services may require export licenses;
- environmental regulations;
- certification requirements;
- fluctuations in foreign currency exchange rates;
- inadequate protection of intellectual property rights in some countries;
- preferences of certain customers for locally produced products;
- potential political, legal and economic instability, foreign conflicts, and the impact of regional and global infectious illnesses in the countries in which we and our customers, suppliers and contract manufacturers are located;
- Canadian and U. S. and foreign anticorruption laws;
- seasonal reductions in business activities in certain countries or regions; and
- fluctuations in freight rates and transportation disruptions.

These factors, individually or in combination, could impair our ability to effectively operate one or more of our foreign facilities or deliver our products, result in unexpected and material expenses, or cause an unexpected decline in the demand for our products in certain countries or regions. Our failure to manage the risks and challenges associated with our international business and operations could have a material adverse effect on our business.

***If we fail to attract and retain key personnel, our business could suffer.***

Our future success depends, in part, on our ability to attract and retain key personnel, including executive management. Competition for highly skilled technical personnel is extremely intense and we may face difficulty identifying and hiring qualified engineers in many areas of our business. We may not be able to hire and retain such personnel at compensation levels consistent with our existing compensation and salary structure. Our future success also depends on the continued contributions of our executive management team and other key management and technical personnel, each of whom would be difficult to replace. The loss of services of these or other executive officers or key personnel or the inability to continue to attract qualified personnel could have a material adverse effect on our business.

***Our predecessor company received subsidies and other types of funding from government agencies. Our current company has applied for loans related to COVID-19. The funding agreements stipulate that if we do not comply with various covenants, including eligibility requirements, and/or do not achieve certain pre-defined objectives, those government agencies may reclaim all or a portion of the funding provided. If they find that we were ineligible for such funding, then they may both reclaim the funds and add penalties and interest. If this were to occur, we would either not be in a position to repay the claimed amounts or would have to borrow large sums in order to do so or refinance with dilutive financing, which could adversely affect our financial condition.***

Our predecessor company, Opel Solar and an affiliated company, ODIS, now a wholly-owned subsidiary, received research and development grants from the United States Air Force and from NASA. The rules for eligibility vary widely across government agencies, are complex and may be subject to different interpretations. We cannot guarantee that one or more agencies will not seek repayment of all or a portion of the funds provided or make claims that we were ineligible to receive such funds, and if this were to occur, we could have to borrow large sums or refinance with dilutive financing in order to make the repayments, which would adversely affect our financial condition.

In March and April of 2020, in response to the financial challenges companies face as a result of the COVID-19 pandemic, the United States and Canadian Governments, both launched financial assistance programs by way of Government backed loans. These loans may either be partially or fully forgiven if recipient companies meet certain

spending or repayment criteria. If such criteria are not met, recipients of these government backed loans may be required to repay the loans in full plus a prescribed amount of interest. The Company received \$218,151 of such loans. While we are confident that we meet all the criteria for receiving such loans, we cannot guarantee that we may not be required to repay the loans in full plus any incurred interest and or penalties.

***If we fail to protect, or incur significant costs in defending, our intellectual property and other proprietary rights, our business and results of operations could be materially harmed.***

Our success depends on our ability to protect our intellectual property and other proprietary rights. We rely on a combination of patent, trademark, copyright, trade secret and unfair competition laws, as well as license agreements and other contractual provisions, to establish and protect our intellectual property and other proprietary rights. We have applied for patent registrations in the U.S. and in foreign countries, some of which have been issued. We cannot guarantee that our pending applications will be approved by the applicable governmental authorities. Moreover, our existing and future patents and trademarks may not be sufficiently broad to protect our proprietary rights or may be held invalid or unenforceable in court. A failure to obtain patents or trademark registrations or a successful challenge to our registrations in the U.S. or foreign countries may limit our ability to protect the intellectual property rights that these applications and registrations intended to cover.

Policing unauthorized use of our technology is difficult and we cannot be certain that the steps we have taken will prevent the misappropriation, unauthorized use or other infringement of our intellectual property rights. Further, we may not be able to effectively protect our intellectual property rights from misappropriation or other infringement in foreign countries where we have not applied for patent protections, and where effective patent, trademark, trade secret and other intellectual property laws may be unavailable or may not protect our proprietary rights as fully as Canadian or U.S. law. We may seek to secure comparable intellectual property protections in other countries. However, the level of protection afforded by patent and other laws in other countries may not be comparable to that afforded in Canada and the U.S.

We also attempt to protect our intellectual property, including our trade secrets and know-how, through the use of trade secret and other intellectual property laws, and contractual provisions. We enter into confidentiality and invention assignment agreements with our employees and independent consultants. We also use non-disclosure agreements with other third parties who may have access to our proprietary technologies and information. Such measures, however, provide only limited protection, and there can be no assurance that our confidentiality and non-disclosure agreements will not be breached, especially after our employees end their employment, and that our trade secrets will not otherwise become known by competitors or that we will have adequate remedies in the event of unauthorized use or disclosure of proprietary information. Unauthorized third parties may try to copy or reverse engineer our products or portions of our products, otherwise obtain and use our intellectual property, or may independently develop similar or equivalent trade secrets or know-how. If we fail to protect our intellectual property and other proprietary rights, or if such intellectual property and proprietary rights are infringed or misappropriated, our business, results of operations or financial condition could be materially harmed.

In the future, we may need to take legal actions to prevent third parties from infringing upon or misappropriating our intellectual property or from otherwise gaining access to our technology. Protecting and enforcing our intellectual property rights and determining their validity and scope could result in significant litigation costs and require significant time and attention from our technical and management personnel, which could significantly harm our business. We may not prevail in such proceedings, and an adverse outcome may adversely impact our competitive advantage or otherwise harm our financial condition and our business.

***We may be involved in intellectual property disputes in the future, which could divert management's attention, cause us to incur significant costs and prevent us from selling or using the challenged technology.***

Participants in the markets in which we sell our products have experienced frequent litigation regarding patent and other intellectual property rights. There can be no assurance that third parties will not assert infringement claims against us, and we cannot be certain that our products would not be found infringing on the intellectual property rights of others. Regardless of their merit, responding to such claims can be time consuming, divert management's attention and resources and may cause us to incur significant expenses. Intellectual property claims against us could result in a requirement to license technology from others, discontinue manufacturing or selling

the infringing products, or pay substantial monetary damages, each of could result in a substantial reduction in our revenue and could result in losses over an extended period of time.

***If we fail to obtain the right to use the intellectual property rights of others that are necessary to operate our business, and to protect their intellectual property, our business and results of operations will be adversely affected.***

From time to time, we may choose to or be required to license technology or intellectual property from third parties in connection with the development of our products. We cannot assure you that third party licenses will be available to us on commercially reasonable terms, if at all. Generally, a license, if granted, would include payments of up-front fees, ongoing royalties or both. These payments or other terms could have a significant adverse impact on our results of operations. Our inability to obtain a necessary third-party license required for our product offerings or to develop new products and product enhancements could require us to substitute technology of lower quality or performance standards, or of greater cost, either of which could adversely affect our business. If we are not able to obtain licenses from third parties, if necessary, then we may also be subject to litigation to defend against infringement claims from these third parties. Our competitors may be able to obtain licenses or cross-license their technology on better terms than we can, which could put us at a competitive disadvantage.

***If we fail to maintain effective internal control over financial reporting in the future, the accuracy and timing of our financial reporting may be adversely affected. The requirement to have our internal controls audited under Section 404B of the Sarbanes-Oxley act will be effective for our next fiscal year and each subsequent year thereafter, so will require substantial investment in outside consultants, management's time and attention and in additional audit fees to prepare for and pass such inspection.***

Preparing our consolidated financial statements involves a number of complex manual and automated processes, which are dependent upon individual data input or review and require significant management judgment. One or more of these elements may result in errors that may not be detected and could result in a material misstatement of our consolidated financial statements. The Sarbanes-Oxley Act in the U.S. requires, among other things, that as a publicly traded company we disclose whether our internal control over financial reporting and disclosure controls and procedures are effective. Until the end of 2020 we qualify as an “emerging growth company” under the JOBS Act, so we will not have to provide an auditor’s attestation report on our internal controls. Our “emerging growth company” status is set to expire on December 31, 2021. However, during the course of any evaluation, documentation or attestation, we or our independent registered public accounting firm may identify weaknesses and deficiencies that we may not otherwise identify in a timely manner or at all as a result of the deferred implementation of this additional level of review. In 2021, when we are no longer qualified as an “emerging growth company” our internal controls will be subject to external audit.

Our internal controls cannot guarantee that no accounting errors exist or that all accounting errors, no matter how immaterial, will be detected because a control system, no matter how well designed and operated, can provide only reasonable, but not absolute assurance that the control system’s objectives will be met. If we are unable to implement and maintain effective internal control over financial reporting, our ability to accurately and timely report our financial results could be adversely impacted. This could result in late filings of our annual and quarterly reports under the *Securities Act* (Ontario) and the Securities Exchange Act of 1934, or the Exchange Act, restatements of our consolidated financial statements, a decline in our stock price, suspension or delisting of our common stock by the TSX Venture Exchange, or other material adverse effects on our business, reputation, results of operations or financial condition.

***Our ability to use our net operating losses and certain other tax attributes may be limited.***

As of December 31, 2020, we had accumulated net operating losses (“NOLs”), of approximately \$111 million. Varying jurisdictional tax codes have restrictions on the use of NOLs, if a corporation undergoes an “ownership change,” the Company’s ability to use its pre-change NOLs, R&D credits and other pre-change tax attributes to offset its post-change income may be limited. An ownership change is generally defined as a greater than 50% change in equity ownership. Based upon an analysis of our equity ownership, we do not believe that we have experienced such ownership changes and therefore our annual utilization of our NOLs is not limited. However, should we experience additional ownership changes, our NOL carry forwards may be limited.

***We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets. Such controls have recently increased for companies in China under the US government's "control list", and may further limit or impair our ability to use certain sub-contractors or to sell directly to companies on the list***

We are subject to export and import control laws, trade regulations and other trade requirements that limit which raw materials and technology we can import or export and which products we sell and where and to whom we sell our products. Specifically, the Bureau of Industry and Security of the U.S. Department of Commerce is responsible for regulating the export of most commercial items that are so called dual-use goods that may have both commercial and military applications. A limited number of our products are exported by license under certain classifications. Export Control Classification requirements are dependent upon an item's technical characteristics, the destination, the end-use, and the end-user, and other activities of the end-user. Should the regulations applicable to our products change, or the restrictions applicable to countries to which we ship our products change, then the export of our products to such countries could be restricted. As a result, our ability to export or sell our products to certain countries could be restricted, which could adversely affect our business, financial condition and results of operations. Changes in our products or any change in export or import regulations or related legislation, shift in approach to the enforcement or scope of existing regulations, or change in the countries, persons or technologies targeted by such regulations, could result in delayed or decreased sales of our products to existing or potential customers. In such event, our business and results of operations could be adversely affected.

***Our manufacturing operations are subject to environmental regulation that could limit our growth or impose substantial costs, adversely affecting our financial condition and results of operations.***

Our properties, operations and products are subject to the environmental laws and regulations of the jurisdictions in which we operate and sell products. These laws and regulations govern, among other things, air emissions, wastewater discharges, the management and disposal of hazardous materials, the contamination of soil and groundwater, employee health and safety and the content, performance, packaging and disposal of products. Our failure to comply with current and future environmental laws and regulations, or the identification of contamination for which we are liable, could subject us to substantial costs, including fines, cleanup costs, third-party property damages or personal injury claims, and make significant investments to upgrade our facilities or curtail our operations. Identification of presently unidentified environmental conditions, more vigorous enforcement by a governmental authority, enactment of more stringent legal requirements or other unanticipated events could give rise to adverse publicity, restrict our operations, affect the design or marketability of our products or otherwise cause us to incur material environmental costs, adversely affecting our financial condition and results of operations.

***We are exposed to risks and increased expenses and business risk as a result of Restriction on Hazardous Substances, or RoHS directives, which have been amended but are still in effect.***

Following the lead of the European Union, or EU, various governmental agencies have either already put into place or are planning to introduce regulations that regulate the permissible levels of hazardous substances in products sold in various regions of the world. For example, the RoHS directive for EU took effect on July 1, 2006. The labeling provisions of similar legislation in China went into effect on March 1, 2007 and is still in effect, as amended. Consequently, many suppliers of products sold into the EU have required their suppliers to be compliant with the new directive. We anticipate that our customers may adopt this approach and will require our full compliance, which will require a significant amount of resources and effort in planning and executing our RoHS program, it is possible that some of our products might be incompatible with such regulations. In such events, we could experience the following consequences: loss of revenue, damages reputation, diversion of resources, monetary penalties, and legal action.

***Failure to comply with the U.S. Foreign Corrupt Practices Act could subject us to penalties and other adverse consequences.***

We are subject to the U.S. Foreign Corrupt Practices Act, which generally prohibits companies operating in the U.S. from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, we are required to maintain records that accurately and fairly represent our transactions and have an adequate system of internal accounting controls. Non-U.S. companies, including some

that may compete with us, may not be subject to these prohibitions, and therefore may have a competitive advantage over us. If we are not successful in implementing and maintaining adequate preventative measures, we may be responsible for acts of our employees or other agents engaging in such conduct. We could suffer severe penalties and other consequences that may have a material adverse effect on our financial condition and results of operations.

***Natural disasters or other catastrophic events could harm our operations.***

Our operations in the U.S., Canada, Singapore and China could be subject to significant risk of natural disasters, including earthquakes, hurricanes, typhoons, flooding and tornadoes, as well as other catastrophic events, such as epidemics, terrorist attacks or wars. For example, our testing facility in Singapore is in an area that is susceptible to hurricanes. Any disruption in our facilities or those of our contractors and suppliers arising from these and other natural disasters or other catastrophic events could cause significant delays in the production or shipment of our products until we are able to arrange for third parties to manufacture our products. We may not be able to obtain alternate capacity on favorable terms or at all. Our property insurance coverage with respect to natural disaster is limited and is subject to deductible and coverage limits. Such coverage may not be adequate or continue to be available at commercially reasonable rates and terms. The occurrence of any of these circumstances may adversely affect our financial condition and results of operation.

***We may be subject to disruptions or failures in information technology systems and network infrastructures that could have a material adverse effect on our business and financial condition.***

We rely on the efficient and uninterrupted operation of complex information technology systems and network infrastructures to operate our business. A disruption, infiltration or failure of our information technology systems as a result of software or hardware malfunctions, system implementations or upgrades, computer viruses, third-party security breaches, employee error, theft or misuse, malfeasance, power disruptions, natural disasters or accidents could cause a breach of data security, loss of intellectual property and critical data and the release and misappropriation of sensitive competitive information and partner, customer, and employee personal data. Any of these events could harm our competitive position, result in a loss of customer confidence, cause us to incur significant costs to remedy any damages and ultimately materially adversely affect our business and financial condition.

***A significant disruption in, or breach in security of, our information technology systems or violations of data protection laws could materially adversely affect our business and reputation.***

In the ordinary course of business, we collect and store confidential information, including proprietary business information belonging to us, our customers, suppliers, business partners and other third parties and personally identifiable information of our employees. We rely on information technology systems to protect this information and to keep financial records, process orders, manage inventory, coordinate shipments to customers, and operate other critical functions. Our information technology systems may be susceptible to damage, disruptions or shutdowns due to power outages, hardware failures, telecommunication failures and user errors. If we experience a disruption in our information technology systems, it could result in the loss of sales and customers and significant incremental costs, which could materially adversely affect our business. We may also be subject to security breaches caused by computer viruses, illegal break-ins or hacking, sabotage, or acts of vandalism by disgruntled employees or third parties. The risk of a security breach or disruption, particularly through cyberattack or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Our information technology network and systems have been and, we believe, continue to be under constant attack. Accordingly, despite our security measures or those of our third-party service providers, a security breach may occur, including breaches that we may not be able to detect. Security breaches of our information technology systems could result in the misappropriation or unauthorized disclosure of confidential.

***The COVID-19 outbreak could delay our development activities and adversely affect our results of operations.***

The global outbreak of COVID-19 has resulted in Canada, the United States, Singapore and other countries halting or sharply curtailing the movement of people, goods and services. The curtailed activity has negatively affected many businesses, including businesses that operate in our sector. The prolonged economic impact of COVID-19

remains uncertain. At this point, we believe the conditions may have a material adverse impact on our business, as our suppliers are experiencing major delays resulting from high backlogs of orders and an inability to operate at full capacity. Such delays have resulted in a 6 – 8 week delay in the Company achieving certain development objectives. Given the rapidly changing developments we cannot accurately predict what effects these developments will have on our business going forward, which will depend on, among other factors, the ultimate geographic spread of the virus, governmental limitations, the duration of the outbreak, travel restrictions and business closures.

The Company may experience these factors in the future and these factors may have a material adverse effect on the Company's business, operating results and financial condition.

Risks Related to Our Common Stock

***Our stock price has been and may continue to be volatile.***

The trading price for our common stock on the TSX Venture Exchange ("TSXV") has been and is likely to continue to be highly volatile. Although we have registered our stock with the SEC, the U.S. market for our shares has been slow to develop, and if and as such a market develops, prices on that market are also likely to be highly volatile. The market prices for securities of early-stage technology companies have historically been highly volatile.

Factors that could adversely affect our stock price include:

- fluctuations in our operating results and our financial condition;
- announcements of new products, partnerships or technological collaborations and announcements of the results or further actions in respect of any products, partnerships or collaborations, including termination of same;
- innovations by us or our competitors;
- governmental regulation;
- developments in patent or other proprietary rights;
- the results of technology and product development testing by us, our partners or our competitors;
- litigation;
- general stock market and economic conditions;
- number of shares available for trading (float); and
- inclusion in or dropping from stock indexes.

As of March 13, 2021, our 52-week high and low closing market prices for our common stock on the TSXV were CA\$1.49 and CA\$0.22.

***We have historically obtained, and expect to continue to obtain, additional financing primarily by way of sales of equity, which may result in significant dilution to existing shareholders.***

We have not earned profits, so the Company's ability to finance operations is chiefly dependent on equity financings. Funds raised through equity public offerings, financing through private placements or the exercise of stock options and warrants and the conversion of convertible debt into common shares in support of the Company's business has resulted in significant shareholder dilution. Further equity financings will also result in dilution to existing shareholders, and such dilution could be significant.

***Future sales of common stock, or the prospect of future sales, may depress our stock price. The exercise of share purchase options and warrants will create dilution which could adversely affect the Company's shareholders.***

Sales of a substantial number of shares of common stock, or the perception that sales could occur, could adversely affect the market price of our common stock. Additionally, as of March 13, 2021, there were outstanding options to purchase up to 45,704,282 shares of our common stock. As of March 13, 2021, there were outstanding warrants to purchase 21,406,816 shares of our stock. The holders of these options and warrants have an opportunity to profit from a rise in the market price of our common stock with a resulting dilution in the interests of the other shareholders. The existence of these options and warrants may adversely affect the terms on which we may be

able to obtain additional financing. The weighted average exercise price of issued and outstanding options is CAD\$0.42, the weighted average exercise price of warrants is CAD\$0.51, which compares to the CAD\$1.17 market price at closing on March 13, 2021. If all of these securities were exercised, an additional 67,111,098 common shares would become issued and outstanding. This represents an increase of 19.95% in the number of shares issued and outstanding and would result in significant dilution to current shareholders

***The risks associated with penny stock classification could affect the marketability of the Company's common shares and shareholders could find it difficult to sell their shares.***

The Company's common shares are subject to "penny stock" rules as defined in Exchange Act Rule 3a51-1. The SEC adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Transaction costs associated with purchases and sales of penny stocks are likely to be higher than those for other securities. Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities listed on certain U.S. national securities exchanges, provided that current price and volume information with respect to transactions in such securities is provided by the exchange).

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from such rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the Company's common shares in the United States and shareholders may find it more difficult to sell their shares.

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***The rights of our shareholders may differ from the rights typically afforded to shareholders of a U.S. corporation.***

We are incorporated under the Business Corporations Act (Ontario) (the "OBCA"). The rights of holders of our common shares are governed by the laws of the Province of Ontario, including the OBCA, by the applicable laws of Canada, and by our Articles of Continuance and all amendments thereto (collectively, the "Articles"), and our by-laws (the "By-laws"). These rights differ in certain respects from the rights of shareholders in typical U.S. corporations. The principal differences include without limitation the following:

Under the OBCA, we have a lien on any common share registered in the name of a shareholder or the shareholder's legal representative for any debt owed by the shareholder to us. Under U.S. state law, corporations generally are not entitled to any such statutory liens in respect of debts owed by shareholders.

With regard to certain matters, we must obtain approval of our shareholders by way of at least 66 2/3% of the votes cast at a meeting of shareholders duly called for such purpose being cast in favor of the proposed matter. Such matters include without limitation: (a) the sale, lease or exchange of all or substantially all of our assets out of the ordinary course of our business; and (b) any amendments to our Articles including, but not limited to, amendments affecting our capital structure such as the creation of new classes of shares, changing any rights, privileges, restrictions or conditions in respect of our shares, or changing the number of issued or authorized shares, as well as amendments changing the minimum or maximum number of directors set forth in the Articles. Under U.S. state law, the sale, lease, exchange or other disposition of all or substantially all of the assets of a corporation generally requires approval by a majority of the outstanding shares, although in some cases approval by a higher percentage of the outstanding shares may be required. In addition, under U.S. state law the vote of a majority of the shares is generally sufficient to amend a company's certificate of incorporation, including amendments affecting capital structure or the number of directors.



Pursuant to our By-laws, two persons present in person or represented by proxy and each entitled to vote thereat shall constitute a quorum for the transaction of business at any meeting of shareholders. Under U.S. state law, a quorum generally requires the presence in person or by proxy of a specified percentage of the shares entitled to vote at a meeting, and such percentage is generally not less than one-third of the number of shares entitled to vote.

Under rules of the Ontario Securities Commission, a meeting of shareholders must be called for consideration and approval of certain transactions between a corporation and any “related party” (as defined in such rules). A “related party” is defined to include, among other parties, directors and senior officers of a corporation, holders of more than 10% of the voting securities of a corporation, persons owning a block of securities that is otherwise sufficient to affect materially the control of the corporation, and other persons that manage or direct, to a substantial degree, the affairs or operations of the corporation. At such shareholders’ meeting, votes cast by any related party who holds common shares and has an interest in the transaction may not be counted for the purposes of determining whether the minimum number of required votes have been cast in favor of the transaction. Under U.S. state law, a transaction between a corporation and one or more of its officers or directors can generally be approved either by the shareholders or a by majority of the directors who do not have an interest in the transaction.

Neither Canadian law nor our Articles or By-laws limit the right of a non-resident to hold or vote common shares of the Company, other than as provided in the Investment Canada Act (the “Investment Act”), as amended by the World Trade Organization Agreement Implementation Act (the “WTOA Act”). The Investment Act generally prohibits implementation of a direct reviewable investment by an individual, government or agency thereof, corporation, partnership, trust or joint venture that is not a “Canadian,” as defined in the Investment Act (a “non-Canadian”), unless, after review, the minister responsible for the Investment Act is satisfied that the investment is likely to be of net benefit to Canada. An investment in the common shares of the Company by a non-Canadian (other than a “WTO Investor,” as defined below) would be reviewable under the Investment Act if it were an investment to acquire direct control of the Company, and the value of the assets of the Company were CA\$5.0 million or more (provided that immediately prior to the implementation of the investment the Company was not controlled by WTO Investors). An investment in common shares of the Company by a WTO Investor (or by a non-Canadian other than a WTO Investor if, immediately prior to the implementation of the investment the Company was controlled by WTO Investors) would be reviewable under the Investment Act if it were an investment to acquire direct control of the Company and the value of the assets of the Company equaled or exceeded certain threshold amounts determined on an annual basis. The threshold for a pre-closing net benefit review depends on whether the purchaser is: (a) controlled by a person or entity from a member of the WTO; (b) a state-owned enterprise (SOE); or (c) from a country considered a “Trade Agreement Investor” under the Investment Act. A different threshold also applies if the Canadian business carries on a cultural business. The 2021 threshold for WTO investors that are SOEs will be CA\$416 million based on the book value of the Canadian business’ assets, down from CA\$428 million in 2020. The 2021 thresholds for review for direct acquisitions of control of Canadian businesses by private sector investor WTO investors (\$1 billion) and private sector trade-agreement investors (\$1.5 billion) remain the same and are both based on the “enterprise value” of the Canadian business being acquired.

A non-Canadian, whether a WTO Investor or otherwise, would be deemed to acquire control of the Company for purposes of the Investment Act if he or she acquired a majority of the common shares of the Company. The acquisition of less than a majority, but at least one-third of the shares, would be presumed to be an acquisition of control of the Company, unless it could be established that the Company is not controlled in fact by the acquirer through the ownership of the shares. In general, an individual is a WTO Investor if he or she is a “national” of a country (other than Canada) that is a member of the WTO (“WTO Member”) or has a right of permanent residence in a WTO Member. A corporation or other entity will be a “WTO Investor” if it is a “WTO Investor-controlled entity,” pursuant to detailed rules set out in the Investment Act. The U.S. is a WTO Member. Certain transactions involving our common shares would be exempt from the Investment Act, including:

- an acquisition of our common shares if the acquisition were made in connection with the person’s business as a trader or dealer in securities;
- an acquisition of control of the Company in connection with the realization of a security interest granted for a loan or other financial assistance and not for any purpose related to the provisions of the Investment Act; and
- an acquisition of control of the Company by reason of an amalgamation, merger, consolidation or corporate reorganization, following which the ultimate direct or indirect control of the Company, through

the ownership of voting interests, remains unchanged. Under U.S. law, except in limited circumstances, restrictions generally are not imposed on the ability of non-residents to hold a controlling interest in a U.S. corporation.

***As a “foreign private issuer”, the Company is exempt from certain sections of the Exchange Act which results in shareholders having less complete and timely data than if the Company were a domestic U.S. issuer.***

As a “foreign private issuer,” as defined under the U.S. securities laws, we are exempt from certain sections of the Exchange Act. In particular, we are exempt from Section 14 proxy rules that are applicable to domestic U.S. issuers. The submission of proxy and annual meeting of shareholder information (prepared to Canadian standards) on Form 6-K has typically been more limited than the submissions required of U.S. issuers and results in shareholders having less complete and timely data, including, among others, with respect to disclosure of: (i) personal and corporate relationships and age of directors and officers; (ii) material legal proceedings involving the Company, affiliates of the Company, and directors, officers promoters and control persons; (iii) the identity of principal shareholders and certain significant employees; (iv) related party transactions; (v) audit fees and change of auditors; (vi) voting policies and procedures; (vii) executive compensation; and (viii) composition of the Compensation Committee. In addition, due to the Company’s status as a foreign private issuer, the officers, directors and principal shareholders of the Company are exempt from the short-swing insider disclosure and profit recovery provisions of Section 16 of the Exchange Act. The foregoing exemption results in shareholders having less data in this regard than is available with respect to U.S. issuers.

***If the Company is characterized as a passive foreign investment company, our U.S. shareholders may suffer adverse tax consequences.***

As more fully described below in ITEM 10.E. “Taxation” — United States Federal Income Tax Considerations — Passive Foreign Investment Company Status”, if for any taxable year our passive income, or the value of our assets that produce (or are held for the production of) passive income, exceed specified levels, we may be characterized as a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. This characterization could result in adverse U.S. tax consequences to our U.S. shareholders, including gain on the disposition of our common shares being treated as ordinary income and any resulting U.S. federal income tax being increased by an interest charge. Rules similar to those applicable to dispositions generally will apply to certain “excess distributions” in respect of our common shares.

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***The actual allocation of proceeds from any financing undertaken may differ from the Company’s initial or current intentions.***

The Company has discretion in the use of the net proceeds from any offering of equity securities. The Company may elect to allocate proceeds differently from its initial or current intentions. The failure by the Company’s management to apply these funds effectively could have a material adverse effect on its business.

***Warrants included with financings***

Warrants offered with financings are not listed on any exchange. Investors may be unable to sell the warrants at the prices desired or at all. There is no existing trading market for the warrants and there can be no assurance that a liquid market will develop or be maintained for the warrants, or that an investor will be able to sell any of the warrants at a particular time (if at all). The liquidity of the trading market in the warrants, and the market price quoted for the warrants, may be adversely affected by, among other things:

- changes in the overall market for the warrants;
- changes in the Corporation’s financial performance or prospects;
- changes or perceived changes in the Corporation’s creditworthiness;
- the prospects for companies in the industry generally;
- the number of holders of the warrants;

- the interest of securities dealers in making a market for the warrants; and
- prevailing interest rates.

#### ITEM 4. INFORMATION ON THE COMPANY

##### A. History and Development of the Company

The legal and commercial name of the Company is POET Technologies Inc. The Company was originally incorporated under the British Columbia Company Act on February 9, 1972 as Tandem Resources Ltd. On November 14, 1985, Tandem Resources Ltd. amalgamated with Stanmar Resources Ltd. and Keezic Resources Ltd., to continue as one company under the name Tandem Resources Ltd. under the British Columbia Company Act. By Articles of Continuance dated January 3, 1997, Tandem Resources Ltd. was continued under the OBCA. By Articles of Amendment dated September 26, 2006, Tandem Resources Ltd. changed its name to OPEL International Inc. By Certificate of Continuance dated January 30, 2007, OPEL International Inc. was continued under the New Brunswick Business Corporations Act. By Articles of Continuance dated November 30, 2010, OPEL International Inc. was continued under the OBCA and changed its name to OPEL Solar International Inc. By Articles of Amendment dated August 25, 2011, OPEL Solar International Inc. changed its name to OPEL Technologies Inc. By Articles of Amendment dated July 23, 2013, OPEL Technologies Inc. changed its name to POET Technologies Inc.

On May 11, 2016, in an all-stock transaction, the Company acquired all the issued and outstanding shares of DenseLight Semiconductor Pte. Ltd., a privately held Singapore company that provides optical solutions. DenseLight designs, manufactures and sells optical light source products. DenseLight was acquired for \$10,500,000 of the Company's stock. The Company issued 13,611,150 common shares to the former shareholders of DenseLight.

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On November 8, 2019, the Company sold 100% of the issued and outstanding shares of DenseLight for \$26,000,000. The Company recognized a gain on the sale of \$8,707,280.

On June 22, 2016, in an all-stock transaction, the Company acquired all the issued and outstanding shares of BB Photonics Inc., a privately held US Company with a wholly owned subsidiary, BB Photonics UK Ltd. Both companies design integrated photonics solutions for the data communications market. BB Photonics and its subsidiary were acquired for consideration of \$1,550,000. The acquisition was settled with the issuance of 1,996,090 common shares of the Company to the former shareholders of BB Photonics. The Company dissolved BB Photonics UK Ltd. on October 6, 2020.

On May 17, 2019, the Company established POET Technologies Pte. Ltd. ("PTS"), a wholly owned subsidiary in Singapore. On August 4, 2020, PTS established POET Optoelectronics Shenzhen Co., Ltd ("POET SZ"), a wholly owned subsidiary in Shenzhen, China.

On October 22, 2020, the Company signed a Joint Venture Agreement establishing a joint venture company, Super Photonics Xiamen Co., Ltd with Xiamen Sanan Integrated Circuit Co. Ltd. Super Photonics Xiamen Co., Ltd was formed on March 12, 2021.

The following is a graphic description of the Company and its subsidiaries:



OPEL Solar Inc. and ODIS Inc.

**OPEL Solar, Inc. (OPEL)**

OPEL is a wholly-owned subsidiary of POET Technologies and is the assignee for all patents and patent applications filed by the Company prior to 2019.

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**ODIS Inc. (“ODIS”)**

ODIS is a wholly owned subsidiary of OPEL Solar, Inc. and is the developer of the POET platform semiconductor process IP for fabrication of integrated circuit devices containing both electronic and optical elements in a single package (“hybrid integration”).

**BB Photonics Inc. and BB Photonics UK Ltd.**

BB Photonics develops photonic integrated components for the datacenter market utilizing embedded waveguide technology that is intended to enable on-chip athermal wavelength control which lowers the total solution cost of datacenter photonic integrated circuits.

**POET Technologies Pte Ltd. (“PTS”)**

PTS is a wholly owned subsidiary of POET Technologies Inc. Situated in Singapore, PTS tests and validates the designs of ODIS.

**POET Optoelectronics Shenzhen Co., Ltd (“POET SZ”)**

POET SZ is a wholly owned subsidiary of PTS. Situated in Shenzhen, China, PTS develops optoelectronic products based on the designs of ODIS.

**Super Photonics Xiamen Co., Ltd, (“SPX”)**

SPX is a joint venture, situated in Shenzhen, China. SPX was established with Sanan IC with a sole purpose to assemble, test, package and sell cost-effective, high-performance optical engines based on POET’s proprietary Optical Interposer platform technology.

The Company operates geographically in the United States, Canada, Singapore and China.

Capital Expenditures

Our capital expenditures for the last three years, which principally consist of purchases of research and development equipment and instrumentation and patents are as follows:

Period	Capital Expenditure	Purpose
Fiscal 2020	\$ 1,573,863	Instruments, equipment and patents
Fiscal 2019 <sup>(1)</sup>	\$ 2,121,987	Instruments, equipment and patents
Fiscal 2018	\$ 3,785,760	Instruments, equipment and patents

(1) Prior to the sale of DenseLight, the Company spent \$1,610,503 in capital expenditures at DenseLight and \$511,484 on capital expenditures at POET. The capital items acquired at DenseLight were sold as part of the sale.

The Company's registered office is located at Suite 1107, 120 Eglinton Avenue East, Toronto, Ontario, Canada M4P 1E2 and its phone number is (416) 368-9411. The Company has operations at Suite 308, 1605 N. Cedar Crest Boulevard, Allentown, PA, 18104, 21 Changi North Way, #04-06, Singapore, 498774 and Unit 02, 10<sup>th</sup> Floor, A4 Building, Kexing Science Park, No.15 Keyuan Road, Science Park Middle District, Nanshan District, Shenzhen, 518057

## B. Business Overview

Corporate Overview

### Overview

We design, develop, manufacture and sell integrated opto-electronic solutions for data communications and telecommunications markets. POET has developed and is marketing its proprietary POET Optical Interposer™ platform which utilizes a novel waveguide technology that allows the integration of electronic and photonic devices into a single multi-chip module. The integration of devices into a single package is achieved by applying advanced wafer-level semiconductor manufacturing techniques and novel packaging methods developed by POET. POET's Optical Interposer eliminates costly components, assembly and testing methods employed in conventional photonics solutions. In addition to lowering costs compared to conventional devices, POET's Optical Interposer provides a flexible and scalable platform for a variety of photonics applications ranging from data centers to consumer products.

POET's Optical Interposer is a platform technology upon which multiple applications can be based, including transceivers for data- and tele-communications, integrated photonics on electronic switching devices, low-cost components for the networking and cellular markets, automotive LIDAR and a variety of sensing and other applications using light as a medium for data transmission. In each case, devices traditionally associated with photonics, such as laser diodes, light emitting diodes, detectors, amplifiers and the associated waveguides and other passive devices are designed specifically in the context of the Optical Interposer to meet the needs and functions of specific applications.

POET has targeted as the first application of the Optical Interposer the development of Optical Engines for transceivers used in data centers. Transceivers are used to convert digital electronic signals into light signals and to transmit and receive those light signals via fiber optic cables within datacenters and between datacenters and metropolitan centers in a vast data and tele-communications network. In 2019 we delivered prototypes of certain components designed for our Optical Engines and we continue to do so into 2020, representing a period of technology development in which the basic concept of the Optical Interposer was demonstrated. At about mid-year, in connection with certain customers that understood POET's approach, we began a period of product development, applying our novel technologies to specific products used in specific applications, including transceiver modules, light sources and optical computational platforms used in artificial intelligence applications. This activity requires the production of a different kind of prototype, which we are now engaged in producing for these customers. Product prototypes go through various stages of maturity, including pre-alpha, alpha and beta,

all associated with how closely the prototypes meet customer specifications. Typically, the last stage of prototypes are the beta samples, which are supplied to customers in small volumes and are subjected to rigorous testing and qualification. Only when prototypes pass qualification, are they ready for mass production.

Virtually all of POET's R&D expenditures in recent years have been in some way connected to the Optical Interposer. We expect to continue to spend the majority of our R&D resources for the foreseeable future on Optical Interposer-based devices directed at specific application areas in connection with strategic partners already selling to those application areas.

As a platform technology, Optical Interposer development does not have a specific end point. Each application of the Optical Interposer requires design and development specific to that application. POET's product roadmap is currently focused on the development of Optical Engines for optical transceivers. Optical Engines include all of the photonics-related components of a transceiver but do not include several of the electronic devices needed for a functioning transceiver module. Nor does it include the external packaging and optical fibers. Nevertheless, Optical Engines represent a significant portion of the cost and value of most optical transceivers.

The success of the Optical Interposer is derived from the unique and proprietary integration of "active" and "passive" components at the chip level, with all of the processing, assembly, packaging and test done at wafer-level. Wafer-level processing eliminates the complex, high-cost individual alignment steps required in conventional and silicon photonics-based assembly following placement of each photonic device in the package. In addition to eliminating the alignment steps, wafer-level processing also eliminates the capital expense of the equipment typically used to measure the alignment. The Optical Interposer platform allows the use of known-good device components, eliminates multiple points of potential failure in alternative processing methods, and eliminates much of the labor associated with fabrication of photonics devices.

The "active" components that are included in a POET Optical Engine include lasers, detectors and modulators fabricated on InP or Silicon substrate and specifically designed to be integrated into the Optical Interposer fabric. We have supplemented our active component device development with co-development partners and license agreements, including for certain types of lasers and modulators. This not only reduces the risk to internal development and accelerates time to market, but it also ensures second sources of Optical Interposer-compatible active components, a critical part of our strategy going forward.

In parallel to these activities, POET has also been engaged in development programs in two other areas for the Optical Interposer platform, namely Passive Component design and development and Core Integration development. Passive devices include filters, mux-demux devices, waveguides and spot size converters, all designed and fabricated using POET's proprietary materials and processes. The Optical Interposer devices are fabricated at a third-party foundry. We transferred the basic processes for producing our Optical Interposers to our foundry partner in 2018 and since then we have continued to improve those processes in order to make them suitable for high volume manufacturing.

Core Integration development relates primarily to advanced packaging methods that, combined with the unique design of the Optical Interposer, allows true wafer-scale assembly and test. We do not believe that such true wafer-scale integration has yet been demonstrated by any other approach in the photonics industry. We are able to achieve chip-level integration and wafer-scale assembly, test and packaging because all of the active devices are designed to be placed and "matched" to passive device interfaces on the foundational Optical Interposer wafer using pick-and-place assembly techniques. We eliminate the high cost and cumbersome process of testing each component following placement. Once placed and tested at wafer scale, each Optical Interposer device is sealed, the wafer is separated into hundreds of individual die, and the final Optical Engine is ready for shipment to the customer. Each of these process steps, from flip-chipping of devices onto the Optical Interposer, pick and place assembly, hermetic sealing and singulation required substantial innovation and development, including several techniques that are unique in the photonics and compound semiconductor industries. Core Integration development became a top priority once POET entered the product development stage with customers and became critical with the signing of the JVA for the creation of SPX.

We are also working with leading industry partners on Optical Engines and other components for 400G transceivers, which is the next generation of transceiver modules that are expected to be introduced into data centers in the coming months and years. We believe that the Optical Interposer platform is very relevant to markets

beyond data communications, such as telecommunications, automotive LIDAR, and in “Co-Packaged Optics,” which is the integration of optics with Application Specific Integrated Circuits (ASICs), including switches and graphics generators, for both data center application and more self-contained applications of optical computing, which is relevant for artificial intelligence.

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“G” is an abbreviation for “Giga bits per second”, the rate at which the device transmits or receives data.

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## **Industry Background**

The explosion in data, storage and information distribution is driving extraordinary growth in internet traffic and cloud services. The expected growth in the networking and data communication market is the result of many factors, among them being, the growth of wireless and mobile traffic (which will account for 71% of total Internet Provider (IP) traffic by 2022<sup>1</sup>), social media activity, the progression of video transmission, the emergence of imaging such as virtual/augmented/mixed reality and 3D video, the continued migration to cloud storage, the propagation of sensors feeding the Internet of Things, and the evolution of big data analytics and machine learning/artificial intelligence. These factors will continue to drive a long-term increased demand for more capacity and higher speeds.

Photonics has traditionally been employed to transmit and receive data over long distances because light can carry considerably more content and data at faster speeds than other means of transmission, such as radio waves or copper wires. Optical transmission becomes more energy efficient as compared to electronic alternatives when the transmission length and speed increase. As a natural consequence, optics have systematically replaced copper in many of the data center communication links where speed, bandwidth and energy are at a premium.

Data center operators are increasing the size and scale of their facilities, while simultaneously looking to component suppliers for solutions capable of providing higher data transmission rates. Within data centers, data communications over distances 500 m to 2 km have already been transitioned from inherently lower speed copper cable to optical fibers. Furthermore, short reach communications, either rack-to-rack or within the rack as well as those requiring speeds of up to 100G, are now increasingly being converted from copper to optical cables.

Outside the Data Centers, future 5G build-out of mobile communications will drive speed and capacity requirements closer to the user with significant reduction in latency. Compared to 4G, 5G technology standard offers much faster download and upload speed, minimum delay in data communication and processing, as well as much higher density in device connections. 5G will enable advances in virtual reality, augmented reality, autonomous driving, high-definition video, and the Internet of Things, among other applications. All of these applications require advanced photonics devices to provide higher speeds and more bandwidth.

## **Photonics Markets**

POET’s intent is to sell its Optical Interposer-based solutions in the Optical Data Communications market.

The global optical communication and networking equipment market size was valued at US\$18.9 billion in 2020 and is projected to reach US\$ 27.8 billion by 2025; it is growing at a CAGR of 8.0% from 2020 to 2025. Rising adoption of cloud-based services and virtualization services all over the world, increasing data traffic due to increased internet usage, and growing number of data centers are the factors driving the optical communication and networking equipment industry growth.<sup>2</sup>

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<sup>1</sup> Cisco Visual Networking Index: Forecast and Methodology, 2017-2022, White Paper, Executive Summary, Feb. 27, 2019

<sup>2</sup> Markets and Markets Research Private Ltd. Optical Communication and Networking Equipment Market, February 2020

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Within the overall Data Communications market, sales of optical transceivers are expected to grow from US\$5.7 billion in 2020 to US\$ 9.2 billion by 2025, at a CAGR of 10.0%. Increasing the adoption of smart devices and rising data traffic has spurred the growth of the optical transceiver market. Other drivers for the optical transceiver industry growth include growing demand for cloud computing applications and the increasing requirement for compact and energy-efficient transceivers.<sup>3</sup>

The primary segments for optical transceivers are Ethernet, wide area network (WAN) and dense wavelength division multiplexing (DWDM), all of which are predominantly addressed by InP-based optical technologies. Ethernet transceivers are expected by the Company to represent the largest of these three segments, with 100G coarse wavelength division multiplexing (CWDM) driving a majority of the growth. The trend in this segment is for integrated photonic transceivers, incorporating approaches such as silicon photonics, which is comparable to that of POET, overtaking conventional technologies using discrete components within the next few years.

The majority of today's conventional discrete transceiver suppliers are shipping 100G transceivers in a 4x25G format, having developed assembly methods for placing multiple laser chips on one substrate and coupling the output into one fiber using micro-optic filters and other elements. POET's approach is to use the Optical Interposer to combine multiple active and passive devices into a single device, or "Optical Engine", which when combined with control electronics and an outer housing, constitutes a pluggable optical transceiver. We plan to sell our optical engines to manufacturers and assemblers of optical transceiver modules. We believe our Optical Engine solution will have a significant cost advantage over both conventional modules as well as silicon photonics in the <2km data center market, while also being scalable to 10km, and supporting 200G, 400G and 800G datacom speeds.

Demand for ethernet optical transceivers declined in the first half of 2019 for the first time since 2009, accompanied by a steep drop in prices. In the latter part of the year, demand increased only to be forestalled by the COVID-19 pandemic in early 2020. Nevertheless, the deficiencies in network infrastructure became apparent during crisis, causing a renewed emphasis globally on infrastructure investment which, along with increased growth in internet traffic, should translate into renewed growth in 2020 and beyond. The life cycles of transceivers at each speed node are exceedingly long, extending 6 – 10 years or more, with multiple generations in each node. As a result, we believe that the 100G/200G market is a viable market for POET. In addition, during the past year, widespread adoption of 400G has been delayed and the opportunity for Optical Engines based on the POET Optical Interposer to be designed-in to modules of major suppliers persists.

### **Our Strategy**

Our vision for the Company is to become the global leader in chip-scale photonic solutions by deploying our Optical Interposer technology to enable the seamless integration of electronics and photonics for a broad range of vertical market applications.

Our strategy includes the following key elements:

- *Introduce the Optical Interposer approach to suppliers of transceivers and data center operators and form commercial partnerships for product development.* Because of the magnitude of the cost savings and performance advantages that may be derived from the use of POET's Optical Engines for transceiver applications, we expect to generate significant interest among both the suppliers of transceiver modules and their ultimate customers, the data center operators. In addition, the POET Optical Interposer provides a straightforward and cost-effective path to higher speed transceivers, including up to 400G and higher, providing a single platform that can span several device generations. We anticipate that several companies will be interested in pursuing commercial partnerships with POET in order to qualify and design-in our Optical Engines.

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<sup>3</sup> Markets and Markets Inc. Optical Transceiver Market, March 2020

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- *Promote the POET Optical Interposer as a true platform technology across several photonic applications and markets.* The POET Optical Interposer is designed to be a flexible platform for the combination or integration of various photonic and electronic components. The low cost makes it suitable for applications like transceivers and automotive LIDAR. The compatibility of the Optical Interposer manufacturing process with standard silicon



CMOS processing and the ability to construct architectures with substantially lower energy consumption opens up large and critical data processing applications where super high-speed processing is essential, such as integration with next generation switches and artificial intelligence.

- *Pursue multiple potential sources of non-product revenue and strategic partnerships.* In addition to product sales, we have been pursuing Non-Recurring Engineering (“NRE”) revenues from end-use customers and/or from strategic partners. In particular, we believe our 400G transceiver components represent a uniquely attractive opportunity for collaborative development with a strategic partner(s).

- *Pursue a “fab-light” strategy.* “Fab-light” is a common business model in the semiconductor industry. Such a strategy allows the Company to invest more in design and development of Optical Interposer-based solutions, expand its marketing and sales presence globally and spend less on capital equipment and maintenance of facilities, enabling a faster path to profitability.

- *Pursue complementary strategic alliance or acquisition opportunities.* We intend to evaluate and selectively pursue strategic alliances or acquisition opportunities that we believe will accelerate our penetration of specific applications or vertical markets with our technology or products.

### **Our Products**

- POET has announced its *LightBar*<sup>™</sup> and *LightBar-C*<sup>™</sup> products as fully multiplexed light source products operating in the “O-band” for data communications applications and the “C-band” for sensing and computing applications. Both *LightBar* products come fully assembled with fiber attached for easy adaptation to existing transceiver module and co-packaging applications.
- POET is currently engaged in the development of 100G, 200G and 400G CWDM4, LR4 and FR4 Optical Engines as components for transceiver assemblies.

### **Competition**

The photonics market is intensely competitive and we expect experience intense competition from a number of manufacturers with alternative technologies. Many of our competitors will be larger than we are and have significantly greater financial, marketing and other resources.

In addition, several of our competitors, especially in the datacom markets, have large market capitalizations or cash reserves and are much better positioned to acquire other companies to gain new technologies or products that may displace our products. Data center equipment providers, who we expect to become our customers, and data center service providers, who are supplied by our customers, may decide to manufacture the optical subsystems that we plan to provide. We may also encounter potential customers that, because of existing relationships, are committed to the products offered by these competitors.

We believe the principal competitive factors in our target markets include the following:

- use of internally manufactured components;
- product breadth and functionality;

- timing and pace of new product development;
- breadth of customer base;
- technological expertise;
- reliability of products;
- product pricing; and

- manufacturing efficiency.

We believe that we can compete favorably with respect to the above factors based on processes, the projected performance, anticipated inherent reliability of our products, our technical expertise in photonic engine design and manufacture and cost.

### **Intellectual Property**

We have 76 issued patents and 10 patent applications pending, including three (3) provisional patent applications submitted. There are multiple additional applications in various stages of preparation. The patents cover device structures, underlying technology related to the Optical Interposer, applications of the technology and fabrication processes. We believe these patents provide a significant barrier to entry against competition, along with trade secrets and know-how. We intend to continue to apply for additional patents in the future. Currently, we are working on the design of integrated devices, manufacturing processes, assembly and packaging processes and products for data communication applications in the data center market.

### **Sale of DenseLight Subsidiary**

On November 8, 2019, the Company closed on the sale of its wholly owned subsidiary, DenseLight Semiconductors Pte. Ltd., to a consortium of investors organized under DenseLight Semiconductor Technology (Shanghai) Ltd. (“DL Shanghai”) for \$26,000,000. POET shareholders approved the sale with 99% of votes submitted at a Special Meeting held on October 24, 2019, ratifying the Share Sale Agreement (“SSA”) signed by the Company on August 20, 2019. The buyer assumed control of DenseLight upon closing. The sale proceeds were paid over multiple tranches. The first tranche payment was received on November 8, 2019 in the amount of US\$8 million. Shares of DenseLight were placed in escrow in the Buyer’s name, to be released by the escrow agent to the Buyer upon receipt of the remaining payments. The second tranche payment was made in two installments, with the first paid on February 19, 2020 consisting of \$4,750,000 and the second on March 30, 2020 of \$8,250,000.

The Company received payments of \$1,500,000 and \$1,000,000 on June 29, 2020 and July 3, 2020 respectively. After taking into consideration the length of time it had taken the Buyer to make the foregoing payments and the Company’s expectations regarding the likelihood of receiving an additional payment, the Company determined that it was in its best interest to accept partial payments as final payment on the Company’s receivable. As a result, the Company recognized a credit loss of \$2,500,000 during the year ended December 31, 2020 (nil - 2019).

Upon closing the transaction in November 2019, the Company recognized a gain on the sale of \$8,707,280. The Company received an additional \$2,000,000 in excess of the sale proceeds which was immediately paid to Oak Capital on behalf of the Buyer for due diligence, legal and other expenses.

Although it continued to operate as a single entity until the sale was closed, to meet financial reporting standards, the Company was required to report DenseLight as “discontinued operations” separate from the remainder of the Company through and until November 8, 2019. This MD&A and the associated audited consolidated financial statements for the three and twelve months ended December 31, 2020 and 2019 have reported DenseLight as discontinued operations separate from its parent company, POET Technologies, Inc. Prior periods reported on in this MD&A have been revised to conform with this disclosure.

Since the acquisition of DenseLight in mid-2016, all of the Company’s revenues had been derived from its activities in Singapore. The majority of sales since the acquisition were in light source products developed, marketed and sold by DenseLight to customers globally. In addition, the Company accepted contracts from various customers for Non-Recurring Engineering (NRE) work that also formed a portion of its reported sales. During 2019, a significant portion of the Company’s revenues derived from a Non-Recurring Engineering (NRE) contract with a major customer for work directly related to the Optical Interposer. Purchase Orders (“PO’s”) received and accepted by POET were issued to DenseLight, on the basis that the bulk of the contracted development work was performed at the DenseLight facility by DenseLight employees. During the sale process, it was agreed between POET, DenseLight and the Buyer that DenseLight would retain those PO’s already issued and conclude the work, while retaining all of the associated costs. Only newly issued PO’s for additional

development work on the Optical Interposer and related components would be issued to POET, with POET contracting with DenseLight and other third parties to perform portions of those projects.

The Share Sale Agreement included an Earn-Out provision which provided for additional consideration in the amount of \$4,000,000 to be paid to the Company in the event that the audited revenues of DenseLight for the year ending December 31, 2019 were at least US\$9 million with gross margins comparable to prior periods. DenseLight did not meet this revenue target. For more information about the details of the SSA and the Buyer, please refer to the Management Information Circular, which can be found on SEDAR ([www.sedar.com](http://www.sedar.com)) and the TMX Trust website ([www.tmxtrust.com](http://www.tmxtrust.com)).

Until November 8, 2019, majority of the Company’s R&D activities were conducted at DenseLight or with third parties under the direction of POET. Upon the sale of DenseLight, the Company retained sole ownership and all intellectual property and rights to its principal invention, the POET Optical Interposer™. The Optical Interposer will form the basis for the Company’s future growth and is therefore the focus of the Business Overview.

#### Geographic Distribution of Revenue

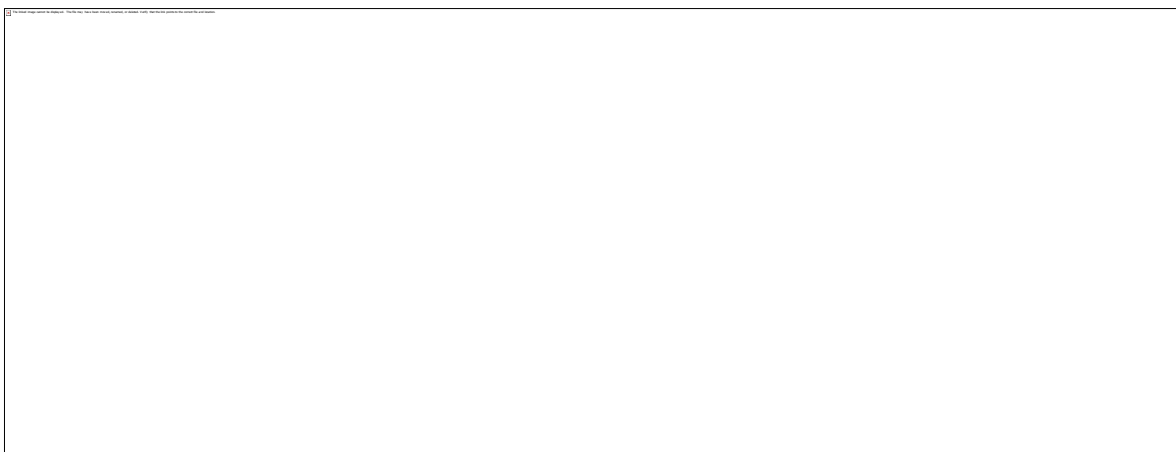
Revenue and geographic markets in DenseLight for 2020, 2019 and 2018 were approximately as follows:

Region	2020	2019	2018
Asia – Pacific	\$ -	\$ 1,271,000	1,971,000
Europe	\$ -	\$ 744,000	1,191,000
North & South America	\$ -	\$ 2,411,000	726,000

“Fab-light” does not mean “fab-less”, as significant portions of our Intellectual Property are embedded in the processes that we have developed that are themselves integral to the equipment and functioning of the Optical Interposer. By purchasing our own equipment and placing the equipment in a foundry, for example, we are able to preserve confidentiality and ownership of such critical IP. As a result, even with a “fab-light” strategy, we expect to continue to invest in capital equipment, but not at the same level as owning and supporting an entire InP wafer fabrication facility.

#### C. Organizational Structure

The following graphically displays the organizational structure of the Company:



- (1) There are 28,374,000 Class A Common Shares of OPEL Solar, Inc. issued and outstanding, all of which are held by the Company. There are no other outstanding securities of OPEL Solar, Inc. other than the Class A Common Shares.
- (2) There are 5 Common Shares of ODIS Inc. issued and outstanding, held by OPEL Solar, Inc.

- (3) There is 1 Ordinary share of POET Technologies Pte Ltd. issued and outstanding, held by POET Technologies Inc.
- (4) There are 1,000,000 Preferred Shares and 1,050,100 Common shares of BB Photonics Inc. issued and outstanding, all of which are held by the Company. There are no other outstanding securities of BB Photonics Inc.
- (5) POET Optoelectronics Co, Ltd. is a wholly owned subsidiary of POET Technologies Pte. Ltd with a registered capital of RMB195,997.

#### D. Property, Plants and Equipment

The Company's head Canadian office is located in a 400 sq. ft. leased office space in Toronto, Ontario, Canada. The US based operations are in a leased 3,883 sq. ft. space in Allentown, Pennsylvania. Our testing operations are located in a 4,669 sq. ft leased facility in Singapore. Our product development operation is located in a 2,830 sq. ft leased facility in Shenzhen, China.

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#### ITEM 4A. UNRESOLVED STAFF COMMENTS

Not Required.

#### ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion should be read in conjunction with the audited consolidated financial statements of the Company and the related notes for the years ended December 31, 2020, 2019 and 2018 and the accompanying notes thereto included elsewhere in this Annual Report. This discussion contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated by forward-looking information due to factors discussed under "ITEM 3.D. Risk Factors" and "ITEM 4.B. Business Overview."

##### A. Operating Results

###### Critical Accounting Policies and Estimates

The Company prepares its audited consolidated financial statements in accordance with IFRS as issued by the IASB, which differs from U.S. GAAP. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting assumptions and estimates. These assumptions are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events. It also requires management to exercise judgment in applying the Company's accounting policies. The Company believes that the estimates and assumptions upon which it relies are reasonable based upon information available at the time that these estimates and assumptions are made. Actual results could differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

###### Basis of presentation

These consolidated financial statements include the accounts of POET Technologies Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated on consolidation.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, receivable from the sale of discontinued operations, convertible debentures, covid-19 government support loans and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest risk arising from these financial instruments. The Company estimates that the fair value of these instruments approximates fair value due to their short-term nature

The following table outlines the classification of financial instruments under IFRS 9:

Financial Assets	
Cash and cash equivalents	Amortized cost
Short-term investments	Amortized cost
Accounts receivable	Amortized cost
Financial Liabilities	
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures	Amortized cost
Covid-19 government support loans	Amortized cost

Convertible debentures are accounted for as a compound financial instrument with a debt component and a separate equity component. The debt component of these compound financial instruments is measured at fair value on initial recognition by discounting the stream of future interest and principal payments at the rate of interest prevailing at the date of issue for instruments of similar term and risk. The debt component is subsequently deducted from the total carrying value of the compound instrument to derive the equity component. The debt component is subsequently measured at amortized cost using the effective interest rate method. Interest expense based on the coupon rate of the debenture and the accretion of the liability component to the amount that will be payable on redemption are recognized through profit or loss as a finance cost.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash in current accounts of \$722,894 (2019 - \$1,278,129, 2018 - \$2,267,868) and funds invested in US Term Deposits of \$6,150,000 (2019 - \$150,000, 2018 - \$300,000) earning interest at 1.31% and maturing in less than 90 days.

Cash and cash equivalents include restricted funds of \$184,569 (2019 - \$93,800, 2018 - \$218,888) which serves as a bank guarantee for the purchase of certain equipment. A bank guarantee was discharged in 2020 and a new bank guarantee was put in place. The bank guarantee is reduced on a monthly basis by \$14,197 (2019 - \$10,424, 2018 - \$10,424) which is the amount paid monthly in settlement of the outstanding balance on the equipment.

#### Accounts receivable

Accounts receivable are amounts due from customers from the sale of products or services in the ordinary course of business. Accounts receivables are classified as current (on the consolidated statements of financial position) if payment is due within one year of the reporting period date, and are initially recognized at fair value and subsequently measured at amortized cost.

In determining a default provision, the Company utilizes a provision matrix, as permitted under the simplified approach to measure expected credit losses. In doing so management considered historical credit losses, forward-looking factors specific to the Company's debtors and other macro-economic factors to arrive at expected default rates. The default rates are then applied to the Company's aging to determine expected credit losses. The carrying amount of trade receivables is reduced by the expected credit losses. If the financial conditions of these customers were to deteriorate and the Company determines that no recovery of a trade receivable is possible, the amount is deemed irrecoverable and subsequently written-off. Accounts receivable at December 31, 2018 related to revenue earned by DenseLight. DenseLight was sold on November 8, 2019

#### Inventory

Inventory consists of raw material inventory, work in process, and finished goods and are recorded at the lower of cost and net realizable value. Cost is determined on a first in first out basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to its present condition.

An assessment is made of the net realizable value of inventory at each reporting period. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. When circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of any write down previously recorded is reversed so that the new carrying amount is the lower of the cost and the revised net realizable value. Raw materials are not written down unless the goods in which they are incorporated

are expected to be sold for less than cost, in which case, they are written down by reference to replacement cost of the raw materials, as this is the best indicator of net realizable value. Inventory at December 31, 2018 and 2017 related to inventory held by DenseLight. DenseLight was sold on November 8, 2019.

#### Property and equipment

Property and equipment are recorded at cost. Depreciation is calculated based on the estimated useful life of the asset using the following method and useful lives:

Machinery and equipment	Straight Line, 5 years
Leasehold improvements	Straight Line, 5 years or life of the lease, whichever is less
Office equipment	Straight Line, 3 - 5 years

#### Patents and licenses

Patents and licenses are recorded at cost and amortized on a straight-line basis over 12 years. Ongoing maintenance costs are expensed as incurred.

#### Impairment of long-lived assets

The Company's tangible and intangible assets are reviewed for indications of impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. An assessment is made at each reporting date whether there is any indication that an asset may be impaired.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the year. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company reported no impairment loss for the year ended December 31, 2020 (2019 - \$714,000, 2018 - nil).

#### Goodwill

Goodwill represents the excess of the cost of an acquired business over the fair value of the identifiable assets acquired net of liabilities assumed. Goodwill is measured at cost less accumulated impairment losses and is not amortized. Goodwill is tested for impairment on an annual basis or whenever facts or circumstances indicate that the carrying amount may exceed its recoverable amount.

The Company performs its annual test for goodwill impairment annually in the fourth quarter. The Company utilized a five-year cash flow forecast using the annual budget approved by the Board of Directors as a basis for such forecasts. Cash flow forecasts beyond that of the budget were prepared using a stable growth rate for future periods. These forecasts were based on historical data and future trends expected by the Company. The Company's valuation model also takes into account working capital and capital investments required to maintain the condition of the assets. Forecasted cash flows were discounted using an after-tax rate of 30%.

Based on the impairment tests, the value in-use of the CGU to which goodwill is applicable is less than the carrying amount. As a result goodwill of \$1,050,459 was impaired in 2019. No provision for impairment of goodwill was made in 2020 or 2018.

#### Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred income taxes are provided on differences between the financial reporting and income tax bases of assets and liabilities and on income tax losses available to be carried forward to future years for tax purposes. Deferred income taxes are measured using the substantively enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Deferred tax assets are only recognized if the amount is expected to be realized in the future.

#### Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

#### Sale of goods

Revenue from the sale of goods is recognized, net of discounts and customer rebates, at the point in time the transfer of control of the related products has taken place as specified in the sales contract and collectability is reasonably assured.

#### Service revenue

The Company provides contract services, primarily in the form of non-recurring revenue (“NRE”) where control is passed to the customer over time. The contracts generally provide agreed upon milestones for customer payment which include but are not limited to the delivery of sample products, design reports and test reports. The customer makes payment when it has approved the delivery of the milestone. The Company must determine if the contract is made up of a series of independent performance obligations or a single performance obligation. Where NRE contracts contain multiple performance obligations for which a standalone transaction price can be assessed, revenue is recognized as each performance obligation is satisfied. Where NRE contracts contain a single performance obligation to be settled over time, revenue is recognized progressively based on the output method.

#### Other income

##### Interest income

Interest income on cash is recognized as earned using the effective interest method.

##### Research and Development Credits

Through DenseLight, the Company was eligible to receive cash credits for certain qualifying research and development expenses based on actual spending over a three year period, with an expectation that the credits would not exceed a certain dollar value over a three year period. Recoverable amounts at December 31, 2018 related to expenditures at DenseLight. There was no recoverable amount at December 31, 2020 or 2019 because the Company sold DenseLight on November 8, 2019.

##### Wage subsidies

Wages subsidies received from the Singaporean government are netted against payroll costs on the consolidated statements of operations and deficit.

#### Intangible assets

## Research and development costs

Research costs are expensed in the year incurred. Development costs are also expensed in the year incurred unless the Company believes a development project meets IFRS criteria as set out in IAS 38, *Intangible Assets*, for deferral and amortization. IAS 38 requires all research costs be charged to expense while development costs are capitalised only after technical and commercial feasibility of the asset for sale or use have been established. This means that the entity must intend and be able to complete the intangible asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefits. Development costs are tested for impairment whenever events or changes indicate that its carrying amount may not be recoverable.

## In-Process Research and Development

Under IFRS, in-process research and development (“IPR&D”) acquired in a business combination that meets the definition of an intangible asset is capitalized with amortization commencing when the asset is ready for use (i.e., when development is complete). The Company acquired \$714,000 of IPR&D when it acquired BB Photonics Inc. in 2016. During 2019, management observed indicators that suggested that IPR&D may be impaired. IPR&D acquired with BB Photonics was no longer useable with the novel POET Interposer platform. BB Photonics IPR&D would not generate sufficient cash flow to support its value in use. Management completed an assessment of IPR&D and determined that the amount of \$714,000 was impaired. An impairment loss of \$714,000 was recorded during the year ended December 31, 2019. No impairment was recorded in 2020 or 2018.

## Customer relationships

Intangible assets include customer relationships acquired with the acquisition of DenseLight. Customer relationships is an externally acquired intangible asset and is measured at cost less accumulated amortization and any accumulated impairment losses. Customer relationships are amortized on a straight-line basis over their estimated useful lives and is tested for impairment whenever events or changes indicate that their carrying amount may not be recoverable. The useful life of customer relationships was determined to be 5 years. Customer relations was nil at December 31, 2020 and 2019 because the asset was disposed of with the sale of DenseLight on November 8, 2019.

## Stock-based compensation

Stock options and warrants awarded to non-employees are measured using the fair value of the goods or services received unless that fair value cannot be estimated reliably, in which case measurement is based on the fair value of the stock options. Stock options and warrants awarded to employees are accounted for using the fair value method. The fair value of such stock options and warrants granted is recognized as an expense on a proportionate basis consistent with the vesting features of each tranche of the grant. The fair value is calculated using the Black-Scholes option pricing model with assumptions applicable at the date of grant.

## Income (loss) per share

Basic income (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the year. Diluted income (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the year after giving effect to potentially dilutive financial instruments. The dilutive effect of stock options and warrants is determined using the treasury stock method.

## Selected Annual Data

The selected financial data of the Company for the years ended December 31, 2020, 2019 and 2018 was derived from the audited annual consolidated financial statements of the Company, which have been audited by Marcum LLP, independent registered public accounting firm, as described in their report which is included in this Annual Report.



heading ITEM 17. “Financial Statements” and should be read in conjunction with such financial statements and with the information appearing under the heading ITEM 5 “Operating and Financial Review and Prospects”. Except where otherwise indicated, all amounts are presented in accordance with IFRS as issued by IASB.

The following table relates to the operating results of the Company.

Consolidated Statements of Operations Under  
International Financial Reporting Standards  
(US\$)

<b>Years Ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>Restated 2018</b>
Operating Expenses			
Selling, marketing and administrative	\$ 8,137,998	\$ 6,697,387	\$ 6,173,875
Research and development	6,634,317	2,083,815	2,262,476
Operating Expenses	14,772,315	8,781,202	8,436,351
Impairment of long-lived assets	-	1,764,459	-
Interest expense	937,903	819,911	-
Amortization of debt issuance costs	-	372,340	-
Other income, including interest	(41,148)	(10,540)	(14,234)
Credit loss on receivable from the sale of discontinued operations	2,500,000	-	-
Loss on disposal of property and equipment	-	-	-
Net loss from continuing operations, before taxes	18,169,070	11,727,372	8,422,117
Income tax recovery	-	(292,740)	-
Net loss from continuing operations	(18,169,070)	(11,434,632)	(8,422,117)
Income (loss) from discontinued operations, net of taxes	-	5,481,757	(7,900,662)
Net loss	(18,169,070)	(5,952,875)	(16,322,779)
Deficit, beginning of year	(139,148,807)	(133,195,932)	(116,873,153)
Deficit, end of year	\$(157,317,877)	\$(139,148,807)	\$(133,195,932)
Basic and diluted loss per share, continuing operations	\$ (0.06)	\$ (0.04)	\$ (0.03)
Basic and diluted income (loss) per share, discontinued operations	-	\$ 0.02	\$ (0.03)
Basic and diluted loss per share	\$ (0.06)	\$ (0.02)	\$ (0.06)

(1) Discontinued operations Under International Financial Reporting Standards

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**Years Ended December 31,**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Revenue	-	\$ 4,426,355	\$ 3,888,185
Cost of Revenue	-	1,201,373	1,475,969
Gross Margin	-	3,224,982	2,412,216
Operating Expenses	-		
Selling, marketing and administrative	-	1,950,526	5,515,329
Research and development	-	5,677,222	6,430,328
Operating Expenses	-	7,627,748	11,945,657
Interest expense	-	74,494	-
Impairment loss	-	-	156,717
Other income	-	(1,251,737)	(1,491,556)

Expenses	-	6,450,505	10,610,818
Net loss from operations	-	(3,225,523)	(8,198,602)
Change in fair value contingent consideration	-	-	-
Gain on sale of discontinued operations, net of taxes	-	8,707,280	-
Net income (loss) from discontinued operations	-	5,481,757	(8,198,602)
Income tax recovery	-	-	297,940
Income (loss) from discontinued operations, net of income taxes	-	\$ 5,481,757	\$ (7,900,662)

For the Period from January 1, 2019 to November 8, 2019 compared to the Year Ended December 31, 2018

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The selected annual information for continuing operations for 2020, 2019 and 2018 can be further analyzed as follows:

Research and development can be analysed as follows:

	For the Years Ended December 31,		
	2020	2019	2018
Wages and benefits	\$ 1,586,900	\$ 874,673	\$ 822,258
Subcontract fees	3,802,919	834,598	888,566
Stock-based compensation	567,859	237,311	395,468
Supplies	676,639	137,233	156,184
	<u>\$ 6,634,317</u>	<u>\$ 2,083,815</u>	<u>\$ 2,262,476</u>

Selling, marketing and administration costs can be analysed as follows:

Stock-based compensation	\$ 3,045,086	\$ 2,650,830	\$ 3,207,411
Wages and benefits	2,233,449	1,619,719	1,433,286
Professional fees	800,551	1,120,805	735,604
General expenses	1,188,712	813,951	392,901
Depreciation and amortization	813,103	243,674	153,244
Management and consulting fees	-	154,357	155,169
Rent and facility costs	57,097	94,051	96,260
	<u>\$ 8,137,998</u>	<u>\$ 6,697,387</u>	<u>\$ 6,173,875</u>

Factors Affecting Our Results of Operations

### Analysis of Continuing Operations

Year Ended December 31, 2020 compared to Year Ended December 31, 2019

Net loss from continuing operations before taxes for the period was \$18,169,070 compared to a net loss of \$11,727,372 in 2019, an increase of \$6,441,698 (55%). The following discusses the significant variances between the period and 2019.

Total R&D increased by \$4,550,502 from \$2,083,815 in 2019 to \$6,634,317 in 2020. For the purposes of the following R&D analysis, non-cash stock-based compensation of \$567,859 (2019 - \$237,311) has been excluded and is included with the analysis of non-cash stock-based compensation below.

R&D, excluding non-cash stock-based compensation, increased by \$4,219,954 (228%) to \$6,066,458 in the period from \$1,846,504 in 2019. The increase is a result of a redistribution of R&D activities and costs that were typically accounted for by DenseLight reflected in discontinued operations and are now being accounted for by the Company. Additionally, the Company established a new test and design facilities in Singapore and Allentown,

Pennsylvania which became fully operational in late 2019 and early 2020. All such test activities and related costs were incurred at DenseLight in 2019.

Interest expense increased by \$117,992 (14%) to \$937,903 in the period as compared to \$819,911 in 2019. The Company raised \$6,805,772 in short-term loans and convertible debentures between April 2019 and September 2019. The Company is required to pay monthly interest on the convertible debentures at a rate of 12%. Interest on short-term loans ranged from 15% - 19.25%. The short-term loans were only outstanding for a brief period in 2019, additionally interest incurred on convertible debentures were for the nine months from April 2019 to December 2019. Conversely, interest expense during the period on convertible debentures is for the twelve months of 2020. Interest expense includes non-cash interest of \$524,095 in the period and \$280,829 in 2019.

Related to the issuance of other debt in 2019 is the amortization of debt issuance cost. The amortized debt issuance cost in 2019 was directly related to the debt that was repaid in Q4 2019, as a result amortized debt issuance cost in the period was nil compared to \$372,340 in 2019.

Depreciation and amortization increased by \$569,429 (234%) to \$813,103 in the period from \$243,674 in 2019. With the sale of DenseLight, the Company embarked on a “fab-light” strategy with a required test facility situated in Singapore. The increase in depreciation and amortization was a result of assets acquired for this new facility. Depreciation of assets within the DenseLight subsidiary were previously reflected in discontinued operations in 2019.

Wages and benefits increased by \$613,730 (38%) to \$2,233,449 in the period from \$1,619,719 in 2019. In late 2019, the Company recruited and hired three senior individuals for roles for which there was a need. These roles included a President & General Manager of the Company, a Vice President & General Manager for the new Singapore testing facility and a Vice President of Product Marketing & Business Development. Wages and benefits for the year include the wages and benefits of these three new hires. 2019 only included similar costs for two months of the year.

General expenses and rent and facility increased by \$337,807 (37%) to \$1,245,809 in the period from \$908,002 in 2019. On June 30, 2020, the Company announced the signing of a \$50 million joint venture. General expenses include a one-time cost of \$328,000 paid to a firm instrumental in introducing the joint venture parties and assisting with negotiations.

Impairment and other loss was \$2,500,000 in the period compared to \$1,764,459 in 2019. Impairment and other loss in 2020 consisted of a credit loss of \$2,500,000 relating to the receivable from the sale of discontinued operations. In Q2 2020, after taking into consideration the length of time it took the Buyer of DenseLight to make the required payments and the Company’s expectations regarding the likelihood of receiving the balance that was due at the time, the Company determined, that it was in the Company’s best interest to accept partial payments as final payment on the outstanding balance. In Q4 2019, the Company performed an impairment analysis on its goodwill and intangible assets related to the acquisition of BB Photonics in 2016. The Company determined that these assets were impaired and consequently recognized an impairment loss of \$1,764,459.

Non-cash stock-based compensation increased by \$724,804 (25%) to \$3,612,945 in the period from \$2,888,141. The valuation of stock options is driven by a number of factors including the number of options granted, the strike price and the volatility of the Company’s stock. The stock option expense is dependent on the timing of the stock option grant and the amortization of the options as they vest. The stock options vest in accordance with the policies determined by the Board of Directors at the time of the grant consistent with the provisions of the Plan

Management and consulting fees were nil in 2020 compared to \$154,357 in 2019. Before becoming employees of the Company, certain employees provided services on a consulting basis in 2019. The Company did not incur such consulting services in 2020.

The Company earned \$41,148 of interest income in 2020 compared to \$10,540 in 2019. The increase of \$30,608 (290%) was a result of having lump sum cash payments from the sale of DenseLight that the Company was able to invest in low risk interest bearing investments throughout 2020.

Due to the sale of DenseLight on November 8, 2019, the Company's operating activities were re-stated to reflect the activities of the continuing operation.

### **Analysis of Continuing Operations**

Due to the sale of DenseLight on November 8, 2019, the Company's operating activities were re-stated to reflect the activities of the continuing operation.

Year Ended December 31, 2019 compared to Year Ended December 31, 2018

In 2019, the Company had a net loss from continuing operations of \$11,727,372. The net loss from continuing operations included \$2,083,815 spent on research and development activities directly related to the development and commercialization of the POET Optical Interposer Platform. Research and development included \$237,311 of non-cash fair value stock-based compensation. \$6,697,387 was spent on selling, marketing and administration expenses which included non-cash operating costs of \$2,650,830 related to the fair value of stock-based compensation and \$243,674 related to depreciation and amortization.

The Company incurred \$819,911 of interest expense and \$372,340 of debt issuance costs related to \$7,729,921 borrowed at various dates and from various lenders during 2019. The Company repaid \$4,000,000 of the borrowed funds on November 8, 2019.

The Company is not exposed to hyperinflationary risks as the Company's investments and operations are occur in geographic regions with stable economies.

#### **R&D**

Total R&D decreased by \$178,661 from \$2,262,476 in 2018 to \$2,083,815 in 2019. For the purposes of the following R&D analysis, non-cash stock-based compensation of \$237,311 (2018 - \$395,468) has been excluded and is included with the analysis of non-cash stock-based compensation below.

R&D, net of stock-based compensation decreased by \$20,504 from \$1,867,008 in 2018 to \$1,846,504 in 2019. The decrease in R&D was the result of a temporary reduction in certain Optical Interposer development programs in favor of component design taking place through the Company's discontinued operations. R&D efforts in 2018 included consulting and outsourced services directed at developing the Company's proprietary waveguides. Variances from year to year reflect individual project emphases between the Company and its discontinued operations rather than any implications for the direction of the overall R&D program. The minor change in R&D year over year reflect the consistency of expenses that were accounted for geographically. Most R&D activity was captured in the Company's discontinued operations.

#### **Wages and benefits**

Wages and benefits increased by \$186,433 (13%) to \$1,619,719 for 2019 from \$1,433,286 in 2018. In late 2019, the Company recruited and hired three senior individuals for roles for which there was a gap. These roles included a President & General Manager of the Company, a Vice President & General Manager for the new Singapore testing facility and a Vice President of Product Marketing & Business Development. Additionally, the Company hired a Senior Vice President of Strategic Marketing in late 2018. The Company reported a full years' wages for the Senior Vice President of Strategic Marketing in 2019 while only a partial years' wages were recorded in 2018.

#### **Professional fees**

Professional fees increased by \$385,201 (52%) to \$1,120,805 in 2019 from \$735,604 in 2018. The increase in professional fees was a result of legal and other professional fees incurred relating to the sale of the Company's DenseLight subsidiary. The services professionals in multiple jurisdictions were required during the due diligence process, drafting the SSA and to assist with negotiations.

#### General expenses and rent

General expenses and rent increased by \$418,841 (86%) to \$908,002 in 2019 from \$489,161 in 2018. The increase was primarily a result of ancillary costs incurred related to the various financings that occurred in 2019 and certain indenture fees related to maintaining the warrants of a previous equity financing that occurred in 2018. The Company also incurred substantial travel and related costs due to the time and effort required in negotiating and addressing due diligence matters respecting the sale of DenseLight. Additionally, the Company incurred \$49,274 of unrealized foreign exchange loss due the weakening of the Canadian dollar in 2019. The Company had an unrealized foreign exchange gain of \$142,104 in 2018. The unrealized gains and losses are a result of currency translation for financial reporting purposes.

#### Interest expense and debt issuance cost

Interest expense was \$819,911 for 2019 as compared to nil in 2018. The Company raised \$7,729,921 of debt financing from various lenders at varying times throughout 2019, net of directly related issue costs. The Company is required to pay monthly interest on the debt raised during the period. The Company did not have debt obligations in 2018.

Related to the issuance of debt in 2019 is the amortization of debt issuance cost of \$372,340 compared to nil in 2018. The Company paid \$147,077 in costs related to a bridge loan of \$3,100,000 from Espresso Capital Ltd. Additionally, the Company issued 3,289,500 warrants to the lender to purchase common shares at a price of CAD\$0.35 per share. The warrants expire on April 18, 2020. The fair value of the warrants was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: volatility of 78.91%, interest rate of 1.62% and an expected life of 1 year. The estimated fair value assigned to the warrants was \$221,620. There was no debt issuance cost in 2018.

#### Non-cash stock-based compensation

Non-cash stock-based compensation decreased by \$714,738 (20%) to \$2,888,141 in 2019 from \$3,602,879 in 2018. The valuation of stock options is driven by a number of factors including the number of options granted, the strike price and the volatility of the Company's stock. The stock option expense is dependent on the timing of the stock option grant and the amortization of the options as they vest. The stock options vest in accordance with the policies determined by the Board of Directors at the time of the grant consistent with the provisions of the Plan.

#### Impairment loss

During 2019, the Company performed an impairment analysis on its goodwill and intangible assets related to the acquisition of BB Photonics in 2016. The Company determined that these assets were impaired and consequently recognized an impairment loss of \$1,764,459. No impairment was recognized in 2018.

#### Exchange Rate Risk

The functional currency of each of the entities included in the accompanying consolidated financial statements is the local currency where the entity is domiciled. Functional currencies include the US, Singapore and Canadian dollar. Most transactions within the entities are conducted in functional currencies. As such, none of the entities included in the consolidated financial statements engage in hedging activities. The Company is exposed to a foreign currency risk with the Canadian and Singapore dollar. A 10% change in the Canadian and Singapore dollar would increase or decrease other comprehensive loss by \$229,088.

#### Liquidity Risk

The Company currently does not maintain credit facilities. The Company's existing cash and cash resources are considered sufficient to fund operating and investing activities beyond one year from the issuance of these consolidated financial statements. The Company may, however, need to seek additional financing in the future.

## Analysis of Discontinued Operations

The selected annual information for discontinued operations for 2020, 2019 and 2018 can be further analyzed as follows:

Research and development can be analysed as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Wages and benefits	-	\$ 3,565,076	\$ 3,818,980
Supplies	-	1,412,572	2,070,495
Subcontract fees	-	728,457	400,000
Stock-based compensation	-	(28,883)	140,853
	<u>-</u>	<u>\$ 5,677,222</u>	<u>\$ 6,430,328</u>

Selling, marketing and administration costs can be analysed as follows:

Wages and benefits	-	\$ 887,860	\$ 1,034,715
Rent and facility costs	-	604,442	975,467
General expenses	-	458,465	785,635
Stock-based compensation	-	(46,725)	278,385
Interest expense	-	-	-
Professional fees	-	46,484	31,747
Depreciation and amortization	-	-	2,409,380
	<u>-</u>	<u>\$ 1,950,526</u>	<u>\$ 5,515,329</u>

For the Period from January 1, 2019 to November 8, 2019 compared to the Twelve Months Ended December 31, 2018

Effective January 1, 2019, the Company is reporting the activities of DenseLight as a discontinued operation. The activities of DenseLight have been consolidated and reported as discontinued operations from January 1, 2019 to November 8, 2019.

Financial information related to DenseLight for the year ended December 31, 2018 has also be restated and presented as discontinued operations.

Net income from discontinued operations, net of taxes for 2019 was \$5,481,757 compared to a net loss from discontinued operations net of taxes of \$7,900,662 in 2018. The following discussion analyses the \$13,382,419 variance from 2018 to 2019.

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### Gain on sale of discontinued operations

The net income in 2019 includes a gain on the sale of discontinued operations of \$8,707,280. On November 8, 2019, the Company sold all the issued and outstanding shares of DenseLight for \$26,000,000. The sale resulted in the reported gain in 2019 of \$8,707,280.

### Revenue

Even with a stub period reporting (January 1, 2019 – November 8, 2019), revenue increased by \$538,170 (14%) to \$4,426,355 in 2019 compared to revenue of \$3,888,185 in 2018. The increase resulted primarily from an increase in NRE revenue that DenseLight started to report in late 2018. The increased NRE contributed to higher gross margin in 2019. Gross margin was \$3,224,982 or 73% in 2019 compared to \$2,412,216 or 62% in 2018.

### R&D

Total R&D was \$5,677,222 in 2019 compared to \$6,430,328 in 2018, a decrease of \$753,106 (12%). For the purposes of the following R&D analysis, non-cash stock-based compensation of \$(28,883) (2018 - \$140,853) has been excluded and is included with the analysis of non-cash stock-based compensation below.

R&D, net of stock-based compensation decreased by \$583,370 (9%) to \$5,706,105 in 2019 from \$6,289,475 in 2018. The decrease in R&D does not reflect reduced activity but rather the fact that only 10 months of R&D activity are reflected in 2019 compared to 12 months of activity in reported 2018. Had the comparative periods been the same it is estimated that 2019 R&D would have increased marginally due to the effort expended to accelerate certain component developments, and to reach other technical milestones, including the launch of the advanced Integrated Light Module (ILM), designed specifically for high-performance wind LIDAR and other environmentally-stressed applications. The Company also launched a new 1653 DFB laser for targeting the methane gas sensing markets and the 1650nm Fabry-Perot (FP) laser for test and measurement applications, targeting the OTDR (Optical Time-Domain Reflectometer) market where the equipment is used to detect faults and understand the losses along a given length of fiber-optic cable in networking and data communications systems.

#### Wages and benefits

Wages and benefits decreased by \$146,855 (14%) to \$887,860 in 2019 from \$1,034,715 in 2018. The decrease is related to the stub period reported in 2019 compared to the 12 months in 2018. Had 12 months of wages and benefits been reported for both years, the variance would have been negligible.

#### Depreciation and amortization

IFRS requires that depreciation and amortization cease when reporting discontinued operations. As a consequence, no depreciation and amortization was reported in 2019 for discontinued operations. Depreciation and amortization was \$2,409,380 in 2018.

#### General expenses and rent

General expenses and rent decreased by \$698,195 (40%) to \$1,062,907 in 2019 from \$1,761,102 in 2018. The decrease is related to the stub period reported in 2019 compared to the 12 months in 2018. Additionally, the application of the new IFRS 16 standard in January 2019 resulted in the re-characterization of rent. Rent expense has now been replaced with interest cost related to a lease liability and amortization related to a right of use asset. Rental payments are now applied against the newly established lease liability. There was a corresponding reduction in rent expense during the year and an increase in interest cost. Due to the cessation of amortization, no amortization was recorded against the right of use asset. All rental payments were charged to rent expense in 2018.

#### Interest expense

During the 2019, the Company recorded non-cash interest expense of \$74,494 relating to the afore-mentioned lease liability. The Company did not have an interest expense in 2018.

#### Impairment

Non-cash impairment was nil in 2019 compared to \$156,717 recorded in 2018. In 2018, management determined that certain property and equipment would no longer be used to generate future cash flows and committed to plan to dispose of such property and equipment. The Company disposed of assets that were no longer in use. The assets were impaired prior to their disposal. The fair value less cost to sell was determined to be \$3,000 which was greater than its value in use.

#### Credit Risk

The Company is exposed to credit risk associated with its accounts receivable. The Company has accounts receivable from both governmental and non-governmental agencies. Credit risk is minimized substantially by

ensuring the credit worthiness of the entities with which it carries on business. Credit terms are provided on a case by case basis. The Company has not experienced any significant instances of non-payment from its customers.

The Company's accounts receivable ageing at December 31 was as follows:

	2020	2019	2018
Current	\$ -	\$ -	\$ 892,343
31 - 60 days	-	-	34,331
61 - 90 days	-	-	60,885
> 90 days	-	-	-
Expected credit losses (1)	-	-	(40,615)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 946,944</u>

(1) The Company applies IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for trade receivables.

The allowance is included in selling, general and administrative expenses in the consolidated statements of operations and deficit. Amounts charged to the loss allowance account are generally written off when there is no reasonable expectation of recovery.

In prior years, the impairment of trade receivables was assessed based on the incurred loss model and determined by management in accordance with its assessment of recoverability. Receivables for which an impairment provision was recognized were written off against the provision when there was no expectation of recovering additional cash.

#### B. Liquidity and Capital Resources

The Company had working capital of \$2,099,214 on December 31, 2020 compared to \$15,354,149 on December 31, 2019. The Company's balance sheet as of December 31, 2020 reflects assets with a book value of \$11,636,728 compared to \$24,077,355 as of December 31, 2019. Sixty-four percent (64%) of the book value at December 31, 2020 was in current assets consisting primarily of cash and cash equivalents of \$6,872,894 compared to eighty-four percent (84%) of the book value as of December 31, 2019, which consisted primarily of receivable from the sale of discontinued operations of \$18,000,000.

On February 11, 2021, the Company completed a brokered private placement offering of 17,647,200 units at a price of \$0.67 (CAD\$0.85) per unit for gross proceeds of \$11,811,118 (CAD\$15,000,120). Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.90 (CAD\$1.15) per share until February 11, 2023. At any time after June 12, 2021, the Company reserves the right to accelerate the expiry of the warrants if the Company's average stock price exceeds \$1.81 (CAD\$2.30) for a period of 10 consecutive trading days. The broker was paid a cash commission of \$708,667 (CAD\$900,007) equating to 6% of the gross proceeds and received 1,058,832 broker warrants. Each broker warrant is exercisable into one common share of the Company at a price of \$0.67 (CAD\$0.85) per broker warrant until February 11, 2023.

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In addition to funds received from the brokered private placement, subsequent to December 31, 2020 the Company received \$8,441,240 (CAD\$10,714,953) from the exercise of stock options and warrants. The Company also improved its liquidity by \$1,709,526 (CAD\$2,170,000) through the conversion of convertible debentures into common shares of the Company.

The Company is satisfied that it has sufficient working capital to meet its operating requirements over the next 12 months.

The following is a summary of Company's cash flows and working capital:

2020	2019	2018
<u>\$</u>	<u>\$</u>	<u>\$</u>



Net cash used in operating activities	(9,437,964)	(9,394,221)	(9,288,588)
Net cash from investing activities	13,926,137	5,397,139	(3,535,600)
Net cash from financing activities	1,162,459	3,135,255	10,648,003
Effect of exchange rate changes on cash	(205,867)	(277,912)	(230,425)
Change in cash	5,444,765	(1,139,739)	(2,406,610)
Opening cash	1,428,129	2,567,868	4,974,478
Ending cash	6,872,894	1,428,129	2,567,868

#### Operating Activities

During 2020, the Company had consolidated losses of \$18,169,070 (2019 - \$11,434,632, 2018 - \$8,422,117). Included in the consolidated loss was income (loss) from discontinued operations of nil (2019 - \$5,481,757, 2018 - \$(7,900,662)).

The operating activities of the continuing operation included the following non-cash items: non-cash stock-based compensation of \$3,612,945 (2019 - \$2,888,141, 2018 - \$3,602,879), depreciation and amortization of \$813,103 (2019 - \$243,674, 2018 - \$153,244), impairment of long lived assets and goodwill of nil in 2020 (2019 - \$1,764,459, 2018 - nil), amortization of debt issuance cost of nil (2019 - \$372,340 - nil), accretion of debt discount on convertible debentures of \$524,095 (2019 - \$280,829, 2018 - nil), credit loss on receivable from the sale of discontinued operations of \$2,500,000 (2019 and 2018 - nil) and other non-cash operating costs of \$1,070,970 (2019 and 2018 - nil).

The Company will regularly have high non-cash stock-based compensation as it uses stock options as method of attracting, retaining and motivating directors, employees and consultants of the Company and any of its subsidiaries and to closely align the personal interests of such directors, employees and consultants with those of the shareholders by providing them with the opportunity, through options, to acquire common shares in the capital of the Company while managing compensation through cash.

The Company raised \$7,729,921 of debt financing from various lenders at varying times throughout 2019, net of directly related issue costs. The issuance cost of debt in 2019 was amortized over the life of the related debt resulting in the amortization of debt issuance cost of \$372,340. The related debt was settled in 2019, as a result there was no debt amortization cost in 2020.

Included in the debt raised in 2019 were convertible debentures issued at a discount. The discount on the convertible debentures are accreted over the life of the convertible debentures. This non-cash cost of accretion of debt discount on convertible debentures was \$524,095 (2019 - 280,829).

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Prepaid and other current assets decreased from \$831,265 in 2019 to \$618,717 in 2020. A significant portion of the prepaid expense in 2019 related to prepaid R&D activities that were consumed in 2020. The success of that R&D activity resulted in the Company announcing multiple milestone achievements in 2020. The prepaid expenses in 2020 related to primarily to deposits on equipment that was ordered prior to the December 31, 2020.

Consolidated negative cash flow from operations was \$9,437,964 in 2020 compared to \$9,394,221 in 2019.

#### Investing Activities

In 2020, the Company had consolidated cash flow from investing activities of \$13,926,137 compared to \$5,397,139 in 2019. \$5,908,623 of the cash flows from investing activities in 2019 was from discontinued operations while continuing operations spent \$511,484 on investing activities.

In 2020, the Company collected \$15,500,000 (2019 - \$8,000,000) on its receivable from the sale of DenseLight. After taking into consideration the length of time it had taken the Buyer to make the foregoing payments and the Company's expectations regarding the likelihood of receiving an additional payment, the Company determined that it was in its best interest to accept partial payments as final payment on the Company's receivable. As a result, the Company recognized a credit loss of \$2,500,000 during the year ended December 31, 2020.

The Company spent a cumulative \$1,573,863 (2019 - \$2,121,987, 2018 - \$3,535,600) on capital purchases in 2020. In 2019, the Company spent \$511,484 in the continuing operations and \$1,610,503 was spent on capital purchases at DenseLight. Comparatively, in 2018, the Company either spent cash or accrued \$3,718,152 on certain critical equipment, primarily consisting of; die pick tool, Omega etch, APM PECVD and C2L Transport. Almost all capital expenditure was incurred at DenseLight in 2018.

#### Financing Activities

During 2020, the Company received \$1,088,450 from the exercise of warrants and stock options (2019 - \$60,028). In 2018, \$10,648,003 was received as the net receipts from a brokered bought deal public offering of 25,090,700 units.

In March and April 2020 the Company received a cumulative \$218,151 of covid-19 government support loans from the US and Canadian governments. The loans are repayable based on various criteria in May 2022 and December 2022.

During 2019 the Company closed five tranches of a private placement of the Convertible Debentures that raised gross proceeds of \$3,729,921. The Convertible Debentures, bear interest at 12% per annum, compounded annually with 1% payable at the beginning of each month and mature two years from the date of issue. The Company paid \$373,502 in brokerage fees and other costs related to the closing of these five tranches.

The Convertible Debentures are convertible at the option of the holders thereof into units at any time after October 31, 2019 at a conversion price of CAD\$0.40 per unit for a total 12,457,500 units of the Company. Each unit will consist of one common share and one common share purchase warrant. Each common share purchase warrant will entitle the holder to purchase one common share of the Company at a price of CAD\$0.50 per share for a period of two years from the date upon which the convertible debenture is converted into units. The Convertible Debentures are governed by a trust indenture between the Company and TSX Trust Company as trustee.

Insiders of the Company subscribed for 14.3% or \$535,000 of the Convertible Debentures, including the Company's board of directors and senior management team. Insiders of IBK Capital subscribed for 4% or \$146,000 of the Convertible Debentures.

In addition to issuing convertible debentures, the Company was advanced \$3,100,000 in various increments from Espresso Capital Ltd as part of a \$5,000,000 credit facility. The Company paid 19.25% in interest on the funds advanced from the date of each advance until November 8, 2019 when the advance was repaid. The Company paid \$147,077 in costs related to the Bridge Loan. Additionally, the Company issued to Espresso Capital Ltd, warrants for the purchase of 3,289,500 common shares at a price of CAD\$0.35 per share. The fair value of the warrants was estimated on the date of issue using the Black-Scholes option pricing model with the following assumptions: volatility of 78.91%, interest rate of 1.62% and an expected life of 1 year. The estimated fair value assigned to the warrants was \$221,620. The total cost of \$368,697 along with the foreign exchange impact of \$3,543 was deferred and charged against the Bridge Loan and subsequently amortized over the life of the Bridge Loan. The Bridge loan was repaid on November 8, 2019.

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The Company was also advanced \$900,000 of a \$1,000,000 promissory note on August 30, 2019 at 15% interest per annum. The \$900,000 advance and accrued interest were repaid on November 8, 2019.

#### Capital Expenditures

The Company has an approved capital budget of \$1,167,286 for the 2021 fiscal year related to research and development equipment, manufacturing equipment and patent registration. In 2020, \$1,573,863 (2018 - \$3,535,600) was either spent in cash or accrued for acquiring development and manufacturing equipment and new patents.

#### C. Research and Development

Virtually all of POET's R&D expenditures in recent years have been in some way connected to the Optical Interposer. We expect to continue to spend the majority of our R&D resources for the foreseeable future on Optical Interposer-based components across a variety of potential applications.

As a platform technology, Optical Interposer development does not have a specific end point. Each application of the Optical Interposer requires design and development specific to that application. POET's product roadmap is currently focused on the development of Optical Engines for optical transceivers. Optical Engines include all of the photonics-related components of a transceiver but do not include several of the electronic devices needed for a functioning transceiver module. Nor does it include the external packaging and optical fibers. Nevertheless, Optical Engines represent a significant portion of the cost and value of most optical transceivers.

The success of the Optical Interposer is derived from the unique and proprietary integration of "active" and "passive" components at the chip level, with all of the processing, assembly, packaging and test done at wafer-level. Wafer-level processing eliminates the complex, high-cost individual alignment steps required in conventional and silicon photonics-based assembly following placement of each photonic device in the package. In addition to eliminating the alignment steps, wafer-level processing also eliminates the capital expense of the equipment typically used to measure the alignment. The Optical Interposer platform allows the use of known-good device components, eliminates multiple points of potential failure in alternative processing methods, and eliminates much of the labor associated with fabrication of photonics devices.

The "active" components that are included in a POET Optical Engine include lasers, detectors and modulators fabricated on InP or Silicon substrate and specifically designed to be integrated into the Optical Interposer fabric. We have supplemented our active component device development with co-development partners and license agreements, including for certain types of lasers and modulators. This not only reduces the risk to internal development and accelerates time to market, but it also ensures second sources of Optical Interposer-compatible active components, a critical part of our strategy going forward.

In parallel to these activities, POET has also been engaged in development programs in two other areas for the Optical Interposer platform, namely Passive Component design and development and Core Integration development. Passive devices include filters, mux-demux devices, waveguides and spot size converters, all designed and fabricated using POET's proprietary materials and processes. The Optical Interposer devices are fabricated at a third-party foundry. We transferred the basic processes for producing our Optical Interposers to our foundry partner in 2018 and since then we have continued to improve those processes in order to make them suitable for high volume manufacturing.

Core Integration development relates primarily to advanced packaging methods that, combined with the unique design of the Optical Interposer, allows true wafer-scale assembly and test. We do not believe that such true wafer-scale integration has yet been demonstrated by any other approach in the photonics industry. We are able to achieve chip-level integration and wafer-scale assembly, test and packaging because all of the active devices are designed to be placed and "matched" to passive device interfaces on the foundational Optical Interposer wafer using pick-and-place assembly techniques. We eliminate the high cost and cumbersome process of testing each component following placement. Once placed and tested at wafer scale, each Optical Interposer device is sealed, the wafer is separated into hundreds of individual die, and the final Optical Engine is ready for shipment to the customer. Each of these process steps, from flip-chipping of devices onto the Optical Interposer, pick and place assembly, hermetic sealing and singulation required substantial innovation and development, including several techniques that are unique in the photonics and compound semiconductor industries. Core Integration development became a top priority once POET entered the product development stage with customers and became critical with the signing of the JVA for the creation of SPX.

We are also working with leading industry partners on Optical Engines and other components for 400G transceivers, which is the next generation of transceiver modules that are expected to be introduced into data centers in the coming months and years. We believe that the Optical Interposer platform is very relevant to markets beyond data communications, such as telecommunications, automotive LIDAR, and in "Co-Packaged Optics," which is the integration of optics with Application Specific Integrated Circuits (ASICs), including switches and graphics generators, for both data center application and more self-contained applications of optical computing, which is relevant for artificial intelligence.

Internally generated research costs, including the costs of developing intellectual property and maintaining patents are expensed as incurred. Internal development costs are expensed as incurred unless such costs meet the criteria for capitalization and amortization under IFRS, which to date has not occurred.

We incurred a cumulative \$6,634,317, \$7,761,037 and \$8,692,804 of research and development expenses in 2020, 2019 and 2018, which includes non-cash stock-based compensation of \$567,859, \$208,428 and \$536,321 respectively. Other expenses related to research and development expenditures in the semiconductor business include costs associated with salaries, material costs, license fees, consulting services and third-party contract manufacturing. The expenses in all years presented can be analyzed for continuing and discontinuing operations as follows:

#### R&D for Continuing Operations

	For the Years Ended December 31,		
	2020	2019	2018
Wages and benefits	\$ 1,586,900	\$ 874,673	\$ 822,258
Subcontract fees	3,802,919	834,598	888,566
Stock-based compensation	567,859	237,311	395,468
Supplies	676,639	137,233	156,184
	<u>\$ 6,634,317</u>	<u>\$ 2,083,815</u>	<u>\$ 2,262,476</u>

#### R&D for Discontinued Operations

	2020	2019	2018
Wages and benefits	-	\$ 3,565,076	\$ 3,818,980
Supplies	-	1,412,572	2,070,495
Subcontract fees	-	728,457	400,000
Stock-based compensation	-	(28,883)	140,853
	<u>-</u>	<u>\$ 5,677,222</u>	<u>\$ 6,430,328</u>

For the Period from January 1, 2019 to November 8, 2019 compared to the Twelve Months Ended December 31, 2018

#### D. Trend Information

Other than as may be disclosed elsewhere in this annual report and specifically in ITEM 4.B. "Business Overview," we are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net revenues, income from operations, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

#### E. Off-Balance Sheet Arrangements

The Company has no material off-balance sheet arrangements in place at this time.

#### F. Tabular Disclosures of Contractual Obligations

The following table sets forth our contractual obligations and commercial commitments as of December 31, 2020:

Contractual Obligations	Payments due by period (US\$)				
	Total	<1 year	1-3 years	3-5 years	>5 years
Lease Obligations	\$ 679,452	\$ 238,002	\$ 441,450	\$ -	\$ -
Convertible Debentures <sup>(1)</sup>	\$3,528,469	\$3,528,469	\$ -	\$ -	\$ -

(1) Refer to Item 3(b) for details

G. Safe Harbor

See “Forward Looking Statements” on page 1 of this Annual Report.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth information regarding our Directors and Officers for the most recent financial year.

Name	Positions	Age	Date First Elected or Appointed a Director or Officer
Jean-Louis Malinge (3)	Director	67	September 5, 2017
Peter Charbonneau (1)(3)	Corporate Governance and Nominating Committee Chair and Director	67	March 28, 2018
Dr. Suresh Venkatesan	Chief Executive Officer and Chairman	54	June 11, 2015
Kevin Barnes	Corporate Controller and Treasurer	49	December 1, 2012
Thomas R. Mika	Chief Financial Officer	69	November 2, 2016
Don Listwin (2)	Chair of Compensation Committee and Director,	62	January 22, 2018
Vivek Rajgarhia	President and General Manager	53	November 4, 2019
Chris Tsiofas (1)(2)	Audit Committee Chair and Director	53	August 21, 2012
James Lee	General Manager – POET Technologies Pte Ltd.	49	September 2, 2019
Glen Riley (2)	Director	58	December 7, 2020
Mohandas Warrior (1)	Director	60	June 15, 2015

(1) Member of Audit Committee

(2) Member of Compensation Committee

(3) Member of Corporate Governance and Nominating Committee

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Dr. Suresh Venkatesan as CEO. Dr. Venkatesan was most recently Senior Vice President, Technology Development at Global Foundries and was responsible for the Company’s Technology Research and Development. Dr. Venkatesan joined Global Foundries in 2009, where he led the development and ramp up of the 28nm node and was instrumental in the technology transfer and qualification of 14nm. In addition, he was responsible for the qualification and ramp up of multiple mainstream value-added technology nodes.

Mr. Thomas Mika as EVP & CFO. Prior to joining POET, Mika served for one year as the Executive Chairman of Rennova Health, Inc., the successor company to CollabRx and its predecessor, Tegal Corporation, a semiconductor capital equipment company (NASDAQ: TGAL). On the Board of Directors of Tegal since its spin-out from Motorola in 1989, Mika assumed the roles of Chief Financial Officer in 2002, CEO in 2005 and Chairman & CEO in 2006, positions which he held until 2015. In 2015, Tegal merged with Rennova Health with Mika retaining the position of Chairman until joining POET in November 2016. In 1980, Mika co-founded IMTEC, a boutique M&A, investment and consulting firm, serving clients in the U.S., Europe and Japan over a period of 20 years, taking on the role of CEO in several ventures. Earlier in his career, Mika was a managing consultant with Cresap, McCormick & Paget and a policy analyst for the National Science Foundation. He holds a Bachelor of

Science in Microbiology from the University of Illinois at Urbana-Champaign and a Master of Business Administration from the Harvard Graduate School of Business.

Mr. Kevin Barnes has been serving as Corporate Controller and Treasurer since 2008 and briefly as Chief Financial Officer (2012 – 2016). Mr. Barnes holds a Master of Business Administration and is a member of the Institute of the Certified Management Accountants of Australia and an Accredited Chartered Secretary. Mr. Barnes served as a Corporate Controller and Business Performance Manager for EC English, one of the world's largest language training institutes between 2006 and 2014. Mr. Barnes also serves as Chief Financial Officer of VVC Exploration Corporation, a minerals exploration company since 2006. From 2000 to 2006, he was a reporting manager with Duguay and Ringler Corporate Services, which specializes in financial reporting for publicly traded companies.

Mr. Chris Tsofas, CA, CPA, earned a Bachelor's of Commerce Degree from the University of Toronto and is a member of the Chartered Professional Accountants of Canada and the Canadian Tax Foundation. He has been on the Board of Directors since August of 2012. He is the president of MTN Chartered Professional Accountant Professional Corporation, a public accountancy firm. He sits on various private company boards. He has also served in a principal capacity in various entrepreneurial ventures resulting in successful divestitures.

Mr. Mohan Warrior has been an Angel Investor for early stage technology companies since Jan 2017 and serves as an Adviser to many of them. Mr. Warrior was president and chief executive officer (CEO) of Alfalight Inc. ("Alfalight") from February 2004 to Sep 2016. Alfalight is a GaAs based high power diode laser manufacturing company with headquarters in Madison, Wisconsin. Alfalight serves military, telecom and industrial customers. Mr. Warrior established Alfalight as a leading provider of high-powered laser diode solutions in both commercial and defense segments. Alfalight was sold to Gooch and Housego in 2016. Prior to joining Alfalight, Mr. Warrior's career included 15 years at Motorola Semiconductors (now Freescale) where he led the test and assembly operations, a group of 3500 employees, in the US, Scotland and Korea. Mr. Warrior earned his Bachelor's degree in Chemical Engineering from Indian Institute of Technology, Delhi, a Master's degree in Chemical Engineering from Syracuse University, New York and an MBA from the Kellogg School of Management at Northwestern University

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Mr. Jean-Louis Malinge recently retired as partner with ARCH Venture Partners, an early-stage venture capital firm with nearly \$2 billion under management. Additionally, he is a board member of EGIDE SA, CAILabs and Aeponyx. EGIDE SA is a public French company which designs, manufactures and sells hermetic packages for the protection and interconnection of several types of electronic and photonic chips. CAILabs is a venture-backed French innovative start-up founded in 2013 which has developed a unique spatial multiplexing platform. Aeponyx is a venture-backed Canadian innovative start-up which develops a platform combining Silicon Nitride waveguides with planar MEMS for photonics components. From 2004 to 2013 Jean-Louis was President and CEO of Kotura, a Silicon Photonics pioneer which was acquired in 2013 by Mellanox Technologies. Prior to Kotura Mr. Malinge was an executive with Corning Inc for 15 years. Jean-Louis hold an Executive M.B.A. from MIT Sloan School in Boston, Massachusetts. He also holds an engineering degree from the Institut National des Sciences Appliquées in Rennes, France.

Mr. Don Listwin has over 30 years of technology investing and management experience, highlighted by a decade at Cisco Systems, where he served as executive vice president. During his tenure at Cisco, he built several multi-billion-dollar lines of business, including the company's Service Provider line of business that underpins much of today's global Internet infrastructure. More recently, Listwin served as chief executive officer of both Sana Security and Openwave Systems. In addition, Listwin founded and holds the role of chief executive officer of the Canary Foundation, a non-profit research organization focused on the early detection of cancer. He also serves as a director on the boards of AwareX, Calix, iSchemaView, Robin Systems and Teradici. Previously, he also served on the boards or was an advisor to JDS Uniphase, PLUMgrid, Redback Networks, E-TEK Dynamics, the Cellular Telecommunications & Internet Association (CTIA) and the Business Development Bank of Canada (BDC).

Mr. Charbonneau was a general partner at Skypoint Capital Corporation for almost 15 years, where he was jointly responsible for the placement of \$100 million of capital in early-stage telecommunications and data communication companies. Charbonneau currently serves on the board of directors of Teradici Corporation, a collaboration solutions Company and the creator of PCoIP protocol technology and Cloud Access Software. He serves on the Board of Surgical Safety Technologies Inc. a early stage start up that uses clinically trained deep

learning systems to perform advanced analytics on hospital data. He recently served on the Board of Mitel Networks Corporation, a leading global provider of cloud and on-site business communications until November 2018 when it was sold to a private equity firm. He served as Lead Director, Chair of the Nominating and Governance Committee and Chair of the Audit Committee. He previously served as Chairman of the Board of Trustees for the CBC Pension Board and a director on the board of the Canadian Broadcasting Corporation as well as many technology and networking companies, including March Networks Corporation, TELUS Corporation, Breconridge Corporation and Dragonwave Incorporated.

Mr. Lee was Vice President of Logic Technology at IMEC where he was responsible for defining the logic roadmap and developing the technology elements necessary to extend scaling with ultra-scaled FinFET, GAA devices, advanced metallization as well novel materials for emerging devices and quantum computing. Mr. Lee joined IMEC in 2015 where he was instrumental in driving collaborations with the foundries in China and was responsible for bringing in >100M euros of research partnership. Prior to IMEC, Mr. Lee had a 19-year career with GLOBALFOUNDRIES where he held various technical and management positions spanning the US and Singapore focused on developing, qualifying and ramping leading edge CMOS technology in the foundry. He has over 60 patents and holds a Bachelor of Engineering degree from the University of Illinois at Champaign-Urbana.

Mr. Riley has more than 30 years' experience in leadership roles spanning both the semiconductor and optoelectronics industries. He most recently served as General Manager of the Filter Solutions Business Unit at Qorvo, where he was responsible for developing highly integrated RF modules used in flagship smartphones. Prior to the merger of RFMD and TriQuint that formed Qorvo, he held multiple leadership roles at TriQuint, including Managing Director of international headquarters in Singapore, General Manager of the GaAs foundry business, and General Manager of Optoelectronics. Riley was previously the Chief Executive Officer of Opticalis, an early stage optoelectronics company focused on the development of high-density wavelength division multiplexing products. He also held prior roles as Vice President and General Manager of the Optoelectronic business at Agere Systems, and President of Asia-Pacific Sales and Marketing at Lucent Technologies Microelectronics Group. He graduated as valedictorian with a B.S. degree in Electrical Engineering from the School of Engineering at the University of Maine and completed The General Manager Program at Harvard Business School.

The Directors, unless otherwise noted above, have served in their respective capacities since their election and/or appointment, and will serve until the next Company's annual general meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles of Continuance.

The Board has adopted a written Code of Business Conduct and Ethics to promote a culture of ethical business conduct and relies upon the selection of persons as directors, senior management and employees who they consider to meet the highest ethical standards. The Company's Code of Business Ethics can be found on the Company's web site at: [www.poet-technologies.com](http://www.poet-technologies.com).

There are no family relationships between any of our Directors or senior management. There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any person referred to above was selected as a Director or member of senior management.

#### B. Compensation

##### Fixed Stock Option Plan

On September 21, 2007, the Directors approved a fixed 20% vesting Stock Option Plan (the "Plan") to replace the Rolling Stock Option Plan that had been in effect since May 4, 2005. The Plan was approved by the disinterested shareholders of the Company at the Shareholders' Meeting of June 19, 2008 and accepted for filing by the TSXV. Under the Plan, the maximum number of shares (the "Maximum Number") which may be issued pursuant to options granted under the Plan or otherwise granted cannot exceed 20% of the issued and outstanding shares. The shareholders fixed the Maximum Number at 11,930,000. Thereafter, the Plan has been amended by the Directors, and such amendments have been approved by the shareholders in 2009, 2011, 2013, 2014, 2015, 2016, 2018 and 2020. The Maximum Number is currently 58,538,554 shares.

The purpose of the Plan is to assist the Company in attracting, retaining and motivating directors, employees and consultants of the Company and any of its subsidiaries and to closely align the personal interests of such directors, employees and consultants with those of the shareholders by providing them with the opportunity, through options, to acquire common shares in the capital of the Company.

The Plan provides that the number of common shares issuable pursuant to options granted under the Plan and pursuant to other previously granted options is limited to the Maximum Number, currently fixed at 58,538,554. Any subsequent increase in the Maximum Number must be approved by shareholders of the Company and cannot exceed 20% of the issued and outstanding shares of the Company at the time of the shareholders' approval. There is no other limit to the number of options granted to any individual, except for:

(i) 2% on a yearly basis to any one consultant and (ii) 2% on a yearly basis to any employee providing "Investor Relations Activities."

The following paragraphs summarize some of the terms of the Plan:

**Eligibility.** Options may be granted under the Plan to directors, employees, consultants and consultant companies of the Company and any of its subsidiaries. Options may also be granted to individuals referred to as "Management Company Employees" which are employed by a company providing management services to the Company, except for services involving "Investor Relations Activities."

**Plan Administration.** The Board of Directors is the plan administrator, subject to the advice and recommendations of our Compensation Committee. The plan administrator will determine the provisions and terms and conditions of each grant.

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**Exercise Price.** The exercise price subject to an option shall be determined by the Board and set forth in the option agreement, but shall be either (i) not less than the last closing price of the Company's common shares as traded on the TSXV, unless discounted by the Board or (ii) such other price agreed by the Board and accepted by the TSXV. Except in certain circumstance, the Company can amend the other terms of a stock option only where prior TSXV acceptance is obtained and where the following requirements are met:

- (i) if the amendment is in respect of an option held by an insider of the Company, but excluding amendments to extend the length of the stock option term, the Company obtains disinterested shareholder approval;
- (ii) if the option exercise price is amended, at least six months have elapsed since the later of the date of commencement of the term, the date the Company's shares commenced trading, or the date the option exercise price was last amended;
- (iii) if the option price is amended to the discounted market price, the exchange hold period is applied from the date of the amendment (and for more certainty where the option price is amended to the market price, the exchange hold period will not apply); and
- (iv) if the length of the stock option term is amended, any extension of the length of the term of the stock option is treated as a grant of a new option, and therefore the amended option must comply with the pricing and other requirements of the policy as if it were a newly granted option. The term of an option cannot be extended so that the effective term of the option exceeds 10 years in total. An option must be outstanding for at least one year before the Company can extend its term.

The TSXV must accept a proposed amendment before the option may be exercised as amended. If the Company cancels a stock option and within one year grants new options to the same individual, the new options will be subject to the requirements in sections (i) to (iv) above.

**Option Agreement.** Options granted under the plan are evidenced by an option agreement that sets forth the terms, conditions and limitations for each grant.

**Term of the Awards.** At the meeting of the Board of Directors held on February 25, 2016, based on the report of Compensia, it was determined that stock options should generally have a term of 10 years.



Vesting Schedule. In general, options granted under the Plan vest 25% immediately and 25% every six months from the date of issue, until fully vested. The directors may, at their discretion, specify a different vesting period, provided that options granted to consultants performing “Investor Relations Activities” must vest in stages over 12 months with no more than 25% of the options vesting in any three-month period. At the meeting of the Board of Directors held on February 25, 2016, based on the report of Compensia, it was determined that stock options should vest 25% at the end of one year from the date of issue with the remaining 75% vesting equally on a quarterly basis over the remaining 3 years for a total vesting period of 4 years. At a meeting of the Board of Directors held on March 30, 2017, the board approved a revised one-year vesting schedule for options granted for service on the board to conform to the term for which a director is elected. Such options will vest 25% at the end of each quarter served in office.

Transfer Restrictions. Options granted under the Plan may not be transferred in any manner by the option holder other than by will or the laws of succession and may be exercised during the lifetime of the option holder only by the option holder. Securities that are subject to restrictions may not be transferred during the period of restriction.

Change of Control and Alteration of Capital. The Plan provides that if a Change of Control, as defined herein, occurs, the shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The Plan also provides for automatic adjustments in the number of optioned shares and/or the exercised price, in the event of an alteration in the share capital of the Company.

Termination of Options. In the event that the award recipient ceases employment with us or ceases to provide services to us, the options will terminate after a period of time following the termination of employment. Our Board of Directors has the authority to amend or terminate the plan subject to shareholder approval with respect to certain amendments. However, no such action may adversely affect in any material way any awards previously granted unless agreed upon by the recipient.

#### Officer Compensation

Total cash compensation accrued and/or paid (directly and/or indirectly) to all of our Officers during fiscal year 2020 was \$1,501,058 (refer to ITEM 7. “Major Shareholders and Related Party Transactions” for information regarding indirect payments)

In order to assist the Board of Directors in fulfilling its oversight responsibilities with respect to human resources matters, the Board established a Compensation Committee. The Compensation Committee reviews and makes determinations with respect to senior officer compensation on a regular basis with any discretionary compensation used only for extraordinary projects or significant milestone results that advance the Company’s growth potential. When determining Executive Officers’ compensation, the Compensation Committee receives input and guidance from the Executive Chairman of the Board and the Chief Executive Officer of the Company. In the past, the Compensation Committee has engaged an outside consultant to conduct a peer group review to provide guidance to the Compensation Committee with respect to appropriate comparative terms for executive compensation and stock option grants. The Company also utilizes peer group comparisons from subsidiary locations to assist in its salary review of various positions in those locations. The Compensation Committee utilizes such comparative reviews to assist it in making appropriate recommendations to the Board.

In addition to his or her fixed base salary, each officer may be eligible to receive variable pay compensation or bonus meant to motivate him or her to achieve short- term goals. Currently, the Company does not have in place established procedures for determining variable pay compensation. Stock options are an important element of the variable pay compensation and do not require cash disbursement from the Company. Stock options are also generally awarded to officers, qualifying employees and consultants at the time of hire and are used as a recruitment tool to attract highly qualified and experienced executives, employees and consultants to the Company. Stock options are also granted at other times during the year. As the Company is continuing to develop its Optical Interposer technology, it must conserve its limited financial resources and control costs to ensure that funds are available when needed to complete its scheduled developments. As a result, the Compensation Committee generally considers not only the financial situation of the Company at the time of the determination of the compensation, but also the estimated financial situation in the mid- and long-term. The use of stock options

encourages and rewards performance by aligning an increase in each officer's compensation with increases in the Company's performance and in shareholder value.

The following table sets forth all annual and long-term compensation for services in all capacities to the Company for fiscal year 2020 of the Company.

Name and Principal Position	Fiscal Year	Salary (2)	Share-Based Awards (1) (2)	Options Based Awards (1)(2)		Annual Incentive Plans	Non-Equity Incentive Plan Compensation		All other Compensation	Total Comp.
				No. of Options	Value of Options (1) (2)		Long-term Incentive Plans	Pension Value		
Dr. Suresh Venkatesan	2020	440,000	-	2,500,000	875,825	-	-	-	-	1,315,825
Richard Zoccolillo	2020	62,500	-	-	-	-	-	-	-	62,500
Kevin Barnes	2020	143,000	-	800,000	280,264	-	-	-	-	423,264
Thomas Mika	2020	300,000	-	600,000	210,198	-	-	-	-	510,198
Vivek Rajgarhia	2020	365,000	-	1,250,000	437,913	-	-	-	-	802,913
James Lee	2020	190,554	-	200,000	70,066	-	-	-	-	260,620

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- (1) The Company used the Black-Scholes model as the methodology to calculate the grant date fair value. The fair value will be recorded as an operating expense as the options vest based on the stock options vesting schedule from the date of grant.
- (2) The exchange rate used in these calculations to convert CAD to USD is based on the exchange rate applicable at the date of grant.

The following table sets forth information concerning all awards outstanding under a stock option plan to each of the current officers, as of December 31, 2020:

First Name	Last Name	Option-based Awards				Share-based Awards	
		Number of Securities Underlying Unexercised Options	Option Exercise Price CAD	Option Expiration Date	Value of Unexercised in-the-money Options USD	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Shares or Units of Shares that have not Vested
Kevin	Barnes	25,000	\$ 0.23	16-Feb-2022	\$ 11,383.95	N/A	N/A
Kevin	Barnes	220,000	\$ 0.28	13-Jul-2027	\$ 91,542.66	N/A	N/A
Kevin	Barnes	500,000	\$ 0.37	15-Jan-2030	\$ 172,722.00	N/A	N/A
Kevin	Barnes	500,000	\$ 0.38	29-May-2029	\$ 168,796.50	N/A	N/A
Kevin	Barnes	25,000	\$ 0.51	28-Sep-2021	\$ 5,888.25	N/A	N/A
Kevin	Barnes	150,000	\$ 0.52	28-Mar-2028	\$ 34,151.85	N/A	N/A

Kevin	Barnes	300,000	\$	0.53	11-Jun-2030	\$	65,948.40	N/A	N/A
Kevin	Barnes	50,000	\$	0.76	28-Feb-2021	\$	1,962.75	N/A	N/A
Kevin	Barnes	100,000	\$	0.86	07-Jul-2026	\$	0.00	N/A	N/A
Yong	Lee	1,000,000	\$	0.33	04-Nov-2029	\$	376,848.00	N/A	N/A
Yong	Lee	200,000	\$	0.53	11-Jun-2030	\$	43,965.60	N/A	N/A
Thomas	Mika	1,000,000	\$	0.28	13-Jul-2027	\$	416,103.00	N/A	N/A
Thomas	Mika	1,000,000	\$	0.38	29-May-2029	\$	337,593.00	N/A	N/A
Thomas	Mika	500,000	\$	0.385	16-Jan-2027	\$	166,833.75	N/A	N/A
Thomas	Mika	950,000	\$	0.52	28-Mar-2028	\$	216,295.05	N/A	N/A
Thomas	Mika	600,000	\$	0.53	11-Jun-2030	\$	131,896.80	N/A	N/A
Thomas	Mika	1,000,000	\$	0.62	02-Nov-2026	\$	149,169.00	N/A	N/A
Vivek	Rajgarhia	3,250,000	\$	0.33	04-Nov-2029	\$	1,224,756.00	N/A	N/A
Vivek	Rajgarhia	1,250,000	\$	0.53	11-Jun-2030	\$	274,785.00	N/A	N/A
Suresh	Venkatesan	3,000,000	\$	0.28	13-Jul-2027	\$	1,248,309.00	N/A	N/A
Suresh	Venkatesan	4,500,000	\$	0.38	29-May-2029	\$	1,519,168.50	N/A	N/A
Suresh	Venkatesan	3,900,000	\$	0.52	28-Mar-2028	\$	887,948.10	N/A	N/A
Suresh	Venkatesan	2,500,000	\$	0.53	11-Jun-2030	\$	549,570.00	N/A	N/A
Suresh	Venkatesan	300,000	\$	0.86	07-Jul-2026	\$	0.00	N/A	N/A

- (1) This amount is calculated based on the difference between the market value of the shares underlying the options as of December 31, 2020, being CAD \$0.81 (US\$0.64), and the exercise or base price of the option. The exchange rate used in these calculations to convert CAD to USD was 0.7851, being the closing exchange rate at December 31, 2020.

The value vested or earned during fiscal year 2020 of incentive plan awards granted to NEOs are as follows:

First Name	Last Name	Option-based Awards		Share-based Awards		Non-equity Incentive Plan Compensation - Value Earned During The Year
		Number of Securities Underlying Options Vested	Value Vested During the Year USD	Number of Shares or Units of Shares Vested	Value Vested During the Year	
Kevin	Barnes	306,250	\$ 31,968.29	N/A	N/A	N/A
Yong	Lee	250,000	\$ 41,217.75	N/A	N/A	N/A
Thomas	Mika	1,237,500	\$ 108,294.73	N/A	N/A	N/A
Vivek	Rajgarhia	812,500	\$ 133,957.69	N/A	N/A	N/A
Suresh	Venkatesan	3,468,750	\$ 359,624.87	N/A	N/A	N/A

- (1) This amount is the dollar value that would have been realized and is computed by obtaining the difference between the market price of the underlying securities on the vesting date and the exercise or base price of the options under the option-based award. For the named executive officers to realize this value, they would have had to exercise their options and sell the shares on the day of vesting. The exchange rates used in these calculations to convert CAD to USD were the rates applicable on the vesting dates.

#### Director Compensation

The following table details compensation paid/accrued for fiscal year 2020 for each director who is not also an officer.

Share-	Options Based Awards (1)(2)	Non-Equity Incentive Plan Compensation
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Name and Principal Position	Fiscal Year	Salary (2)	Based Awards (1) (2)	No. of Options	Value of Options (1) (2)	Annual Incentive Plans	Long-term Incentive Plans	Pension Value	All other Comp.	Total Comp.
Chris Tsiofas	2020	40,000	-	293,135	102,694	-	-	-	-	142,694
Peter Charbonneau	2020	51,250	-	372,593	130,531	-	-	-	-	181,781
David Lazovsky (3)	2020	30,000	-	263,821	92,424	-	-	-	-	122,424
Mohandas Warrior	2020	30,000	-	263,821	92,424	-	-	-	-	122,424
Jean-Louis Malinge	2020	30,000	-	263,821	92,424	-	-	-	-	122,424
Don Listwin	2020	40,000	-	293,135	102,694	-	-	-	-	142,694
Glen Riley	2020	-	-	224,600	78,684	-	-	-	-	78,684

- (1) The Company used the Black-Scholes model as the methodology to calculate the grant date fair value. The fair value will be recorded as an operating expense as the stock options vest from the date of grant.
- (2) The exchange rate used in these calculations to convert CAD to USD was the rate of exchange applicable on the date of grant.
- (3) David Lazovsky resigned from the Board of Directors on November 30, 2020

The following table sets forth information concerning all awards outstanding under the stock option plans to each of the current Directors who are not also named executive officers as of December 31, 2020:

First Name	First Name	Option-based Awards				Share-based Awards	
		Number of Securities Underlying Unexercised Options	Option Exercise Price CAD	Option Expiration Date	Value of Unexercised in-the-money Options USD	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Shares or Units of Shares that have not Vested
Peter	Charbonneau	399,000	\$ 0.33	21-Jun-2028	\$150,362.35	N/A	N/A
Peter	Charbonneau	400,593	\$ 0.38	29-May-2029	\$135,237.39	N/A	N/A
Peter	Charbonneau	35,488	\$ 0.42	06-Feb-2030	\$ 10,866.04	N/A	N/A
Peter	Charbonneau	154,730	\$ 0.52	28-Mar-2028	\$ 35,228.77	N/A	N/A
Peter	Charbonneau	337,105	\$ 0.53	11-Jun-2030	\$ 74,105.12	N/A	N/A
Don	Listwin	468,750	\$ 0.22	22-Jan-2028	\$217,129.22	N/A	N/A
Don	Listwin	399,000	\$ 0.33	21-Jun-2028	\$150,362.35	N/A	N/A
Don	Listwin	22,822	\$ 0.33	04-Nov-2029	\$ 8,600.43	N/A	N/A
Don	Listwin	360,534	\$ 0.38	29-May-2029	\$121,713.75	N/A	N/A
Don	Listwin	293,135	\$ 0.53	11-Jun-2030	\$ 64,439.28	N/A	N/A
Jean-Louis	Malinge	525,000	\$ 0.30	05-Sep-2027	\$210,210.53	N/A	N/A
Jean-Louis	Malinge	399,000	\$ 0.33	21-Jun-2028	\$150,362.35	N/A	N/A
Jean-Louis	Malinge	360,534	\$ 0.38	29-May-2029	\$121,713.75	N/A	N/A
Jean-Louis	Malinge	263,821	\$ 0.53	11-Jun-2030	\$ 57,995.24	N/A	N/A

Glen	Riley	224,600	\$	0.50	04-Dec-2030	\$ 54,663.37	N/A	N/A
Chris	Tsiofas	687,500	\$	0.28	13-Jul-2027	\$286,070.81	N/A	N/A
Chris	Tsiofas	487,666	\$	0.33	21-Jun-2028	\$183,775.96	N/A	N/A
					29-May-2029			
Chris	Tsiofas	440,653	\$	0.38		\$148,761.37	N/A	N/A
Chris	Tsiofas	293,135	\$	0.53	11-Jun-2030	\$ 64,439.28	N/A	N/A
Chris	Tsiofas	150,000	\$	0.86	07-Jul-2026	\$ 0.00	N/A	N/A
Mohandas	Warrior	562,500	\$	0.28	13-Jul-2027	\$234,057.94	N/A	N/A
Mohandas	Warrior	399,000	\$	0.33	21-Jun-2028	\$150,362.35	N/A	N/A
					29-May-2029			
Mohandas	Warrior	360,534	\$	0.38		\$121,713.75	N/A	N/A
Mohandas	Warrior	263,821	\$	0.53	11-Jun-2030	\$ 57,995.24	N/A	N/A
Mohandas	Warrior	150,000	\$	0.86	07-Jul-2026	\$ 0.00	N/A	N/A

- (1) This amount is calculated based on the difference between the market value of the shares underlying the options as of December 31, 2020, being CAD \$0.81 (US\$0.64), and the exercise or base price of the option. The exchange rate used in these calculations to convert CAD to USD was 0.7851, being the closing exchange rate at December 31, 2020.

The value vested or earned during fiscal year 2020 of incentive plan awards granted to Directors who are not also named executive officers are as follows:

First Name	Last Name	Option-based Awards		Share-based Awards		Non-equity Incentive Plan Compensation - Value Earned During The Year
		Number of Securities Underlying Options Vested	Value Vested During the Year	Number of Shares or Units of Shares Vested	Value Vested During the Year	
Peter	Charbonneau	395,465	\$ 26,163.43	N/A	N/A	N/A
Don	Listwin	349,657	\$ 23,790.10	N/A	N/A	N/A
Jean-Louis	Malinge	312,178	\$ 20,418.21	N/A	N/A	N/A
Chris	Tsiofas	395,019	\$ 24,495.28	N/A	N/A	N/A
Mohandas	Warrior	340,303	\$ 20,418.21	N/A	N/A	N/A

- (1) This amount is the dollar value that would have been realized and is computed by obtaining the difference between the market price of the underlying securities on the vesting date and the exercise or base price of the options under the option- based award.

#### Termination and Change of Control Benefits

Other than as described in their individual management agreements, the Company has no plans or arrangements in respect of remuneration received or that may be received by the Officers the Company to compensate such Officers, in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control.

#### Pension Plan Benefits

The Company does not provide a defined benefit plan to the Officers or any of its employees.

The Company offers a defined contribution plan that is a 401k Plan but does not contribute toward such plan. The Company does not have any deferred compensation plans other than that described above.

The following individuals were executives of the Company in 2020:

<u>Name</u>	<u>Title</u>
Suresh Venkatesan	CEO
Vivek Rajgarhia	President
Thomas Mika	Executive Vice President and CFO
Yong Meng (James) Lee	General Manager, POET Technologies Pte Ltd
Kevin Barnes	Treasurer, Corporate Controller

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### C. Board Practices

Our Board of Directors currently consists of seven (7) directors including the CEO, of which, six (6) are independent directors. Each director holds office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of Amalgamation and all amendments thereto (the “Articles”), or with the provisions of the OBCA. The Company’s Officers are appointed to serve at the discretion of the Board, subject to the terms of the employment agreements described above.

#### Lead independent director

Our independent directors have selected Peter Charbonneau to serve as the lead independent director. The lead independent director’s primary role is to facilitate the functioning of the board, and to maintain and enhance the quality of our corporate governance practices. The lead independent director presides over the private sessions of our independent directors that take place following each meeting of the board and conveys the results of these meetings to the chair of the board.

The Board and committees of the Board schedule regular meetings over the course of the year.

During fiscal 2020, the Board held 16 regularly scheduled meetings, including committee meetings. If for various reasons, Board members may not be able to attend a Board meeting, all Board members are provided information related to each of the agenda items before each meeting, and, therefore, can provide counsel outside the confines of regularly scheduled meetings.

The Board has adopted standards for determining whether a director is independent from management. The Board reviews, consistent with the Company’s corporate governance guidelines, whether a director has any material relationship with the Company that would impair the director’s independent judgment. The Board has affirmatively determined, that as of the filing of this Form 20-F, based on its standards, that Messrs. Tsiofas, Malinge, Charbonneau, Listwin, Riley and Warrior are independent.

#### Directors’ Service Contracts

Mr. Venkatesan has an employment contract with the Company.

#### Audit and Compensation Committees of the Board of Directors

We currently have four board committees; (1) an Audit Committee; (2) a Compensation Committee, (3) a Strategy Committee and (4) a Corporate Governance and Nominating Committee. Committee charters for the Audit, Compensation and Corporate Governance and Nominating Committees can be found on the Company’s website (poet-technologies.com). The Strategy Committee is an ad-hoc committee and therefore does not have a charter. The names of the members and a summary of the terms of the charter for each the Audit Committee and the Compensation Committee is provided below.

#### Audit Committee

The Audit Committee is currently comprised of three members: Chris Tsiofas (Chair), Peter Charbonneau and Mohandas Warrior. All three members are independent directors of the Company. Mr. Tsiofas was appointed

chair of the Audit Committee on August 21, 2012. The Board has determined that Mr. Tsiofas satisfies the criteria of “audit committee financial expert” within the meaning of Item 401(h) of Regulation S-K and is independent in accordance with Rule 4200 of the NASDAQ Marketplace Rules. All members of the audit committee are financially literate, meaning they have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The Audit Committee is responsible for reviewing the Company’s financial reporting procedures, internal controls and the performance of the Company’s external auditors. The Audit Committee is also responsible for reviewing the annual and quarterly financial statements and accompanying Management’s Discussion and Analysis prior to their approval by the full Board. The Audit Committee also reviews the Company’s financial controls with the auditors of the Company on an annual basis.

The Company’s independent auditor is accountable to the Board and to the Audit Committee. The Board, through the Audit Committee, has the ultimate responsibility to evaluate the performance of the independent auditor, and through the shareholders, to appoint, replace and compensate the independent auditor. Any non-audit services must be pre-approved by the Audit Committee.

#### Compensation Committee

The Compensation Committee is currently comprised of three members: Don Listwin (Chair), Chris Tsiofas and Glen Riley. Mr. Listwin was appointed chair of the Compensation Committee on August 8, 2019. All three members are independent directors. The Board has determined that all members of the Compensation Committee are qualified as members based on the following:

Mr. Don Listwin, Chairman of the Compensation Committee has over 30 years of technology investing and management experience, highlighted by a decade at Cisco Systems, where he served as its Executive Vice President. Mr. Listwin currently serves as chief executive officer of RapidAI and in the recent past served as chief executive officer of both Sana Security and Openwave Systems. Mr. Listwin also currently serves as a director on the boards of AwareX, Calix, Robin Systems and Teradici. Previously, he also served on the boards or was an advisor to JDS Uniphase, PLUMgrid, Redback Networks, E-TEK Dynamics, the Cellular Telecommunications & Internet Association (CTIA) and the Business Development Bank of Canada (BDC). In these capacities, Mr. Listwin had extensive direct experience with executive compensation matters as both a chief executive and board member of an assortment of companies, large and small, including companies within industries directly relevant to the Company.

Mr. Chris Tsiofas, CA, CPA, earned a Bachelor’s of Commerce Degree from the University of Toronto and is a member of the Institute of Chartered Accountants of Canada and the Canadian Tax Foundation. He has been on the Board of Directors of the Company since August of 2012. Mr. Tsiofas is the president of MTN Chartered Professional Accountant Professional Corporation, a public accountancy firm. He sits on various private company boards. He has also served in a principal capacity in various entrepreneurial ventures resulting in successful divestitures. Tsiofas formerly served as Chairman of the Company’s Compensation Committee and has directed past engagements with the Company’s outside executive compensation consultants. Mr. Tsiofas is also the Chairman of the Audit Committee of the Board of Directors. He brings to the Compensation Committee specialized knowledge regarding the tax impact of certain compensation policies and practices on individuals and on the Company.

Mr. Riley has more than 30 years’ experience in leadership roles spanning both the semiconductor and optoelectronics industries. He has been on the Board of Directors of the Company since December 2020. Mr. Riley most recently served as General Manager of the Filter Solutions Business Unit at Qorvo. Prior to the merger of RFMD and TriQuint that formed Qorvo, he held multiple senior leadership roles at the vice-presidential level with TriQuint, including Managing Director of TriQuint’s international headquarters in Singapore, General Manager of the GaAs foundry business, and General Manager of Optoelectronics. Prior to TriQuint he was the Chief Executive Officer of privately held Opticalis, an early stage optoelectronics company. He has also held roles as Vice President and General Manager of the Optoelectronic business at Agere Systems, and President of Asia-Pacific Sales and Marketing at Lucent Technologies Microelectronics Group. Mr. Riley has extensive direct

experience with executive compensation from these prior senior level executive roles with these companies in technology industries related to the Company.

The Compensation Committee has extensive direct relevant experience in determining executive compensation policies and practices on behalf of the Company. In addition to being supported by outside compensation consultants on a periodic basis for peer group review, the members of the Committee are professional executives familiar with best practices associated with executive compensation, are knowledgeable about the tax implications to the Company and its executive officers of changes in the tax laws pertaining to executive compensation and have direct relevant experience with the incentives used throughout the Company's industry to align the interests of executive management with company and shareholder interests. This gives these individuals strong insight as to the incentive structures and programs appropriate for companies of a comparable size. The seniority, experience and level of achievement of the three current members of the Compensation Committee speak to the independent judgement exercised in making decisions about the suitability of the Company's compensation policies and practices.

The Compensation Committee discusses and makes recommendations to the Board for approval of compensation issues that pertain to the senior executives of the Company, and on issues involving employment company-wide compensation policies and practices. In general, the compensation programs of the Company are designed to reward performance and to be competitive with the compensation agreements of other comparable semiconductor companies. The Compensation Committee is responsible for evaluating the compensation of the senior management of the Company and assuring that they are compensated effectively in a manner consistent with the Company's business, stage of development, financial condition and prospects, and the competitive environment. Specifically, the Compensation Committee is responsible for: (i) reviewing the compensation practices and policies of the Company to ensure that they are competitive and that they provide appropriate motivation for corporate performance and increased shareholder value; (ii) overseeing the administration of the Company's compensation programs, and reviewing and approving the employees who receive compensation and the nature of the compensation provided under such programs, and ensuring that all management compensation programs are linked to meaningful and measurable performance targets; (iii) making recommendations to the Board regarding the adoption, amendment or termination of compensation programs and the approval of the adoption, amendment and termination of compensation programs of the Company, including for greater certainty, ensuring that if any equity-based compensation plan is subject to shareholder approval, and that such approval is sought; (iv) periodically surveying the executive compensation practices of other comparable companies; (v) establishing and ensuring the satisfaction of performance goals for performance-based compensation; (vi) annually reviewing and approving the annual base salary and bonus targets for the senior executives of the Company, other than the Chief Executive Officer (the "CEO"); (vii) reviewing and approving annual corporate goals and objectives for the CEO and evaluating the CEO's performance against such goals and objectives; (viii) annually reviewing and approving, based on the Compensation Committee's evaluation of the CEO, the CEO's annual base salary, the CEO's bonus, and any stock option grants and other awards to the CEO under the Company's compensation programs (in determining the CEO's compensation, the Compensation Committee will consider the Company's performance and relative shareholder return, the compensation of CEOs at other companies, and the CEO's compensation in past years); and (ix) reviewing the annual report on executive compensation required to be prepared under applicable corporate and securities legislation and regulation including the disclosure concerning members of the Compensation Committee and settling the reports required to be made by the Compensation Committee in any document required to be filed with a regulatory authority and/or distributed to shareholders.

#### Code of Ethics

The Board has adopted a written code of business conduct and ethics. All transgressions of the code of business conduct and ethics are required to be promptly reported to the Chair of the Board or of any committee, who in turn, reports them to the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee is charged with investigating alleged violations of the code of business conduct and ethics. Any findings of the Corporate Governance and Nominating Committee are then reported to the full Board, which will take such action as it deems appropriate. The Company's Code of Ethics may be inspected on the Company's website ([poet-technologies.com](http://poet-technologies.com)) and is filed as an Exhibit to this Annual Report.



#### D. Employees

As of December 31, 2020, the Company had twenty-five (25) full-time employees and three (4) consultants, Eight (8) employees and one (1) consultant work at our lab facility either as support staff or are engaged in research and development initiatives; two (2) employees and one (1) consultant are employed at the Canadian office; Thirteen (13) employees are employed at our fabrication facility in Singapore; Two (2) employees are employed at our product development facility in China; One (1) consultant is located in Italy; and One (1) consultant is located in Japan. None of the Company's employees are covered by collective bargaining agreements.

As of December 31, 2019, the Company had sixteen (16) full-time employees, one (1) part-time employee and three (3) consultants, including one (1) in a senior management position. Eight (8) employees and one (1) consultant work at our lab facility either as support staff or are engaged in research and development initiatives; two (2) employees and one (1) consultant are employed at the Canadian office; Seven (7) employees are employed at our fabrication facility in Singapore. None of the Company's employees are covered by collective bargaining agreements.

As of December 31, 2018, the Company had ninety-nine (99) full-time employees and four (4) consultants, including one (1) in a senior management position. Seven (7) employees and one (1) consultant work at our lab facility either as support staff or are engaged in research and development initiatives; one (1) employee and three (3) consultants are employed at the Canadian office; ninety-one (91) employees are employed at our fabrication facility in Singapore. None of the Company's employees are covered by collective bargaining agreements.

#### E. Share Ownership and Other Securities

The following table sets forth certain information regarding the beneficial ownership of our outstanding common shares for: (i) each of our Directors and Officers individually; (ii) all of our Directors and Officers as a group; and (iii) each other person known to us to own beneficially more than 5% of our common shares as of March 13, 2021. Beneficial ownership of shares is determined under rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. The table also includes the number of shares underlying options that are exercisable within sixty (60) days of March 13, 2021. Ordinary shares subject to these options are deemed to be outstanding for the purpose of computing the ownership percentage of the person holding these options, but are not deemed to be outstanding for the purpose of computing the ownership percentage of any other person.

The shareholders listed below do not have any different voting rights from our other shareholders.

	Number of Shares Beneficially Owned (1)	Percent of Class
<b>Directors and Officers:</b>		
Chris Tsiofas	25,000	0%
Thomas Mika	100,000	0%
Kevin Barnes	17,463	0%
Mohandas Warrior	262,500	0%
Suresh Venkatesan	115,000	0%
Don Listwin	2,103,207	0%
Directors and Officers Subtotal	2,623,170	0.7%
<b>Major Shareholders:</b>		
None that we are aware of.		

- (1) The number of shares set forth for each Director, Officer and Major Shareholder is determined in accordance with Rule 13d-3 of the General Rules and Regulations under the Exchange Act.

	Number of options exercisable within 60 days	Percent of class
Glen Riley	56,150	0%
James Lee	375,000	1%
Kevin Barnes	763,750	2%
Vivek Rajgarhia	1,218,750	3%
Peter Charbonneau	1,280,140	3%
Mohandas Warrior	1,407,400	3%
Jean-Louis Malinge	1,482,400	3%
Chris Tsiofas	1,985,670	4%
Thomas Mika	3,587,500	8%
Suresh Venkatesan	8,006,250	18%
	24,750,404	54%

	Number of Warrants exercisable within 60 days	Exercise price CA\$	Percent of class
Suresh Venkatesan	37,500	0.52	0%

	Beneficially owned convertible debentures
Kevin Barnes	\$ 15,702
Peter Charbonneau	\$ 78,510
Mohandas Warrior	\$ 54,957
Jean-Louis Malinge	\$ 54,957
Chris Tsiofas	\$ 78,510
Thomas Mika	\$ 23,553
Suresh Venkatesan	\$ 78,510
Don Listwin	\$ 78,510
	\$ 463,209

The Convertible Debentures are convertible at the option of the holders thereof into units at any time after October 31, 2019 at a conversion price of CAD\$0.40 per unit into units of the Company. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at a price of CAD\$0.50 per share for a period of four years from the date upon which the convertible debenture was issued.

## ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### A. Major Shareholders

#### Holdings by Major Shareholders

Please refer to ITEM 6.E. “Share Ownership” for details regarding securities held by Directors, Officers and Major Shareholders. The Company’s major shareholders do not have any different or special voting rights.

#### U.S. Share Ownership

As of March 13, 2021, there were a total of 445 holders of record of our common shares with addresses in the U.S. We believe that the number of U.S beneficial owners is substantially greater than the number of U.S record

holders, because a large portion of our common shares are held in broker “street names.” As of March 13, 2021, U.S. holders of record held approximately 0.65% of our outstanding common shares.

#### Control of Company

The Company is a publicly owned Ontario corporation, the shares of which are owned by Canadian residents, U.S. residents and other foreign residents. The Company is not controlled by any foreign government or other person(s) except as described in ITEM 4.A. “History and Progress of the Company” and ITEM 6.E. “Share Ownership.”

#### Change of Control of Company Arrangements

None

#### B. Major Shareholders and Related Party Transactions

No shareholder beneficially owns 5% or more of the Company’s common shares.

Compensation to key management personnel (CEO, CFO, President, GM POET Technologies Pte Ltd, Treasurer) was as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Salaries</b>	<b>\$ 1,501,058</b>	<b>\$ 1,251,277</b>	<b>\$ 1,216,250</b>
<b>Share-based payments (1)</b>	<b><u>2,144,930</u></b>	<b><u>2,135,579</u></b>	<b><u>2,449,683</u></b>
Total	<b><u>\$ 3,645,988</u></b>	<b><u>\$ 3,386,856</u></b>	<b><u>\$ 3,665,933</u></b>

(1) Share-based payments are the fair value of options granted to key management personnel and expensed during the various years as calculated using the Black-Scholes model.

#### C. Interests of Experts and Counsel

Not applicable.

### ITEM 8. FINANCIAL INFORMATION

#### A. Consolidated Statements and Other Financial Information

The Company’s financial statements are stated in U.S. dollars and are prepared in accordance with IFRS as issued by the IASB.

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The financial statements as required under “ITEM 17. Financial Statements” are attached hereto and found immediately following the text of this Annual Report. The audit report of Marcum LLP, independent registered public accounting firm, is included herein immediately preceding the consolidated financial statements.

#### Legal Proceedings

The directors and the senior management of the Company do not know of any material, either active or pending, legal proceedings against them, nor is the Company involved as a plaintiff in any material proceeding or pending litigation.

The directors and the senior management of the Company know of no active or pending proceedings against anyone that might materially adversely affect an interest in the Company.

#### Dividend Policy

The Company has not paid, and has no current plans to pay, dividends on its common shares. We currently intend to retain future earnings, if any, to finance the development of our business. Any future dividend policy will be determined by the Board, and will depend upon, among other factors, our earnings, if any, financial condition, capital requirements, any contractual restrictions with respect to the payment of dividends, the impact of the distribution of dividends on our financial condition, tax liabilities, and such economic and other conditions as the Board may deem relevant.

#### B. Significant Changes

On February 11, 2021, the Company completed a brokered private placement offering of 17,647,200 units at a price of \$0.67 (CAD\$0.85) per unit for gross proceeds of \$11,811,118 (CAD\$15,000,120). Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.90 (CAD\$1.15) per share until February 11, 2023. At any time after June 12, 2021, the Company reserves the right to accelerate the expiry of the warrants if the Company's average stock price exceeds \$1.81 (CAD\$2.30) for a period of 10 consecutive trading days. The broker was paid a cash commission of \$708,667 (CAD\$900,007) equating to 6% of the gross proceeds and received 1,058,832 broker warrants. Each broker warrant is exercisable into one common share of the Company at a price of \$0.67 (CAD\$0.85) per broker warrant until February 11, 2023.

In addition to funds received from the brokered private placement, subsequent to December 31, 2020 the Company received \$8,441,240 (CAD\$10,714,953) from the exercise of stock options and warrants. The Company also improved its liquidity by \$1,709,526 (CAD\$2,170,000) through the conversion of convertible debentures into common shares of the Company.

### ITEM 9. THE OFFER AND LISTING

#### A. Offer and Listing Details

The Company's common shares began trading on the TSXV in Toronto, Ontario, Canada, on June 25, 2007. The current Stock symbol is "PTK". The CUSIP/ISN numbers are 73044W104 / 73044W1041.

The following table lists the high and low sales price on the TSXV for the Company's common shares for: the last six months; the last ten fiscal quarters; and the last five fiscal years.

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Period Ended	High (CA\$)	Low (CA\$)
<b>MONTHLY</b>		
February 28, 2021	1.49	1.02
January 31, 2021	1.11	0.71
December 31, 2021	0.87	0.46
November 30, 2020	0.56	0.46
October 31, 2020	0.64	0.51
September 30, 2020	0.58	0.49
<b>QUARTERLY</b>		
February 28, 2021	1.49	0.46
November 30, 2020	0.64	0.46
August 31, 2020	0.71	0.48
May 31, 2020	0.62	0.22
February 28, 2020	0.55	0.34
November 30, 2019	0.43	0.30
August 31, 2019	0.46	0.35
May 31, 2019	0.40	0.31
February 28, 2019	0.46	0.25
November 30, 2018	0.44	0.24
<b>YEARLY</b>		
December 31, 2020	0.71	0.22

December 31, 2019	0.46	0.27
December 31, 2018	0.79	0.19
December 31, 2017	0.51	0.17
December 31, 2016	1.44	0.27

B. Plan of Distribution

Not Required.

C. Markets

The Company's common shares trade on the TSXV in Canada under the symbol "PTK". The Company's common shares also trade on the OTCQX International Marketplace under the symbol "POETF".

D. Selling Shareholders

Not Required.

E. Dilution

Not Required.

F. Expenses of the Issue

Not Required.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not Required.

B. Memorandum and articles of association

The Company was originally formed under the British Columbia Company Act on February 9, 1972 as Tandem Resources Ltd. ("Tandem"). The Company took its current form after Tandem amalgamated with Stanmar Resources Ltd. and Keezic Resources Ltd. pursuant to Articles of Amalgamation on November 14, 1985. Tandem moved to Ontario by Articles of Continuance on January 3, 1997. Tandem changed its name to OPEL International Inc. by Articles of Amendment on September 26, 2006. OPEL International Inc. was continued under the New Brunswick Business Corporations Act on January 30, 2007, then back to Ontario by Articles of Continuance on November 30, 2010, changing its name to OPEL Solar International Inc. By Articles of Amendment on August 25, 2011, OPEL Solar International Inc. changed its name to OPEL Technologies, Inc. By Articles of Amendment on July 23, 2013, OPEL Technologies Inc. changed its name to POET Technologies Inc. Today, the Company is an Ontario corporation governed by the OBCA. The following are summaries of material provisions of our Articles of Continuance, as amended from time to time (the "Articles"), in effect as of the date of this Annual Report insofar as they relate to the material terms of our ordinary shares.

Register, Entry Number and Purposes

Our Articles of Continuance became effective on November 30, 2010. Our corporation number in Ontario is 641402. The Articles of Continuance do not contain a statement of the Company's objects and purposes. However, the Articles of Continuance provide that there are no restrictions on business that the Company may carry on or the powers the Company may exercise as permitted under the OBCA.

Board of Directors

Pursuant to our By-laws and the OBCA, a director or officer who is a party to, or who is a director or officer of, or has a material interest in, any person who is a party to, a material contract or proposed material contract with the Company, shall disclose the nature and extent of his interest at the time and in the manner provided by the OBCA. Any such contract or proposed contract shall be referred to the Board or shareholders for approval even if such contract is one that in the ordinary course of the Company's business would not require approval by the Board or shareholders, and a director interested in a contract so referred to the Board shall not vote on any resolution to approve the same unless the contract or transaction: (i) relates primarily to his or her remuneration as a director of the Company or an affiliate; (ii) is for indemnity or insurance of or for the director or officer as permitted by the OBCA; or (iii) is with an affiliate.

Directors shall be paid such remuneration for their services as the Board may determine by resolution from time to time, and will be entitled to reimbursement for traveling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Neither the Company's Articles nor By-laws require an independent quorum for voting on director compensation. Directors are not precluded from serving the Company in any other capacity and receiving remuneration therefor. A director is not required to hold shares of the Company. There is no age limit requirement respecting the retirement or non-retirement of directors.

The directors may sign the name and on behalf of the Company, or appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign on behalf of the Company, all instruments in writing and any instruments in writing so signed shall be binding upon the Company without further authorization or formality. The term "instruments in writing" includes contracts, documents, powers of attorney, deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property (real or personal, immovable or movable), agreements, tenders, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, stocks, bonds, debentures or other securities, instruments of proxy and all paper writing.

Nothing in the Company's By-laws limits or restricts the borrowing of money by the Company on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Company.

#### Rights, Preferences and Restrictions Attaching to Common Shares

The holders of common shares are entitled to vote at all meetings of the shareholders, except meetings at which only holders of a specified class of shares are entitled to vote. Each common share carries with it the right to one vote. Subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of the Company, the holders of the common shares are entitled to receive any dividends declared and payable by the Company on the common shares. Dividends may be paid in money or property or by issuing fully paid shares of the Company. Subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of the Company, the holders of the common shares are entitled to receive the remaining property of the Company upon dissolution.

No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights and no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds. The common shares must be issued as fully-paid and non-assessable, and are not subject to further capital calls by the Company. The common shares are without par value. All of the common shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and the entitlement to dividends.

The Company does not currently have any preferred shares outstanding.

#### Ordinary and Special Shareholders' Meetings

The OBCA provides that the directors of a corporation shall call an annual meeting of shareholders not later than 15 months after holding the last preceding annual meeting. The OBCA also provides that, in the case of an offering corporation, the directors shall place before each annual meeting of shareholders, the financial statements required to be filed under the Ontario Securities Act and the regulation thereunder relating to the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting and the immediately preceding financial year, if any.

The Board has the power to call a special meeting of shareholders at any time.

Notice of the date, time and location of each meeting of shareholders must be given not less than 21 days or more than 50 days before the date of each meeting to each director, to the auditor of the Company and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting.

Notice of a meeting of shareholders called for any other purpose other than consideration of the minutes of an earlier meeting, financial statements, reports of the directors or auditor, setting or changing the number of directors, the election of directors and reappointment of the incumbent auditor, must state the general nature of the special business in sufficient detail to permit the shareholder to form a reasoned judgment on such business, must state the text of any special resolution to be submitted to the meeting, and must, if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it, a copy of the document or state that a copy of the document will be available for inspection by shareholders at the Company's records office or another accessible location.

The only persons entitled to be present at a meeting of shareholders are those entitled to vote, the directors of the Company and the auditor of the Company. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting. In circumstances where a court orders a meeting of shareholders, the court may direct how the meeting may be held, including who may attend the meeting.

#### Limitations on Rights to Own Securities

No share may be issued until it is fully paid.

Neither Canadian law nor our Articles or By-laws limit the right of a non-resident to hold or vote common shares of the Company, other than as provided in the Investment Canada Act (the "Investment Act"), as amended by the World Trade Organization Agreement Implementation Act (the "WTOA Act"). The Investment Act generally prohibits implementation of a direct reviewable investment by an individual, government or agency thereof, corporation, partnership, trust or joint venture that is not a "Canadian," as defined in the Investment Act (a "non-Canadian"), unless, after review, the minister responsible for the Investment Act is satisfied that the investment is likely to be of net benefit to Canada. An investment in the common shares of the Company by a non-Canadian (other than a "WTO Investor," as defined below) would be reviewable under the Investment Act if it were an investment to acquire direct control of the Company, and the value of the assets of the Company were CA\$5.0 million or more (provided that immediately prior to the implementation of the investment the Company was not controlled by WTO Investors). An investment in common shares of the Company by a WTO Investor (or by a non-Canadian other than a WTO Investor if, immediately prior to the implementation of the investment the Company was controlled by WTO Investors) would be reviewable under the Investment Act if it were an investment to acquire direct control of the Company and the value of the assets of the Company equaled or exceeded certain threshold amounts determined on an annual basis.

The threshold for a pre-closing net benefit review depends on whether the purchaser is: (a) controlled by a person or entity from a member of the WTO; (b) a state-owned enterprise (SOE); or (c) from a country considered a "Trade Agreement Investor" under the Investment Act. A different threshold also applies if the Canadian business carries on a cultural business. The 2021 threshold for WTO investors that are SOEs will be \$416 million based on the book value of the Canadian business' assets, down from \$428 million in 2020. The 2021 thresholds for review for direct acquisitions of control of Canadian businesses by private sector investor WTO investors (\$1 billion) and private sector trade-agreement investors (\$1.5 billion) remain the same and are both based on the "enterprise value" of the Canadian business being acquired.

A non-Canadian, whether a WTO Investor or otherwise, would be deemed to acquire control of the Company for purposes of the Investment Act if he or she acquired a majority of the common shares of the Company. The acquisition of less than a majority, but at least one-third of the shares, would be presumed to be an acquisition of control of the Company, unless it could be established that the Company is not controlled in fact by the acquirer through the ownership of the shares. In general, an individual is a WTO Investor if he or she is a "national" of a country (other than Canada) that is a member of the WTO ("WTO Member") or has a right of permanent residence

in a WTO Member. A corporation or other entity will be a “WTO Investor” if it is a “WTO Investor-controlled entity,” pursuant to detailed rules set out in the Investment Act. The U.S. is a WTO Member. Certain transactions involving our common shares would be exempt from the Investment Act, including:

- an acquisition of the shares if the acquisition were made in the ordinary course of that person’s business as a trader or dealer in securities;
- an acquisition of control of the Company in connection with the realization of a security interest granted for a loan or other financial assistance and not for any purpose related to the provisions of the Investment Act; and
- an acquisition of control of the Company by reason of an amalgamation, merger, consolidation or corporate reorganization, following which the ultimate direct or indirect control in fact of the Company, through the ownership of voting interests, remains unchanged.

#### Procedures to Change the Rights of Shareholders

In order to change the rights of our shareholders with respect to certain fundamental changes as described in Section 168 of the OBCA, the Company would need to amend our Articles to effect the change. Such an amendment would require the approval of holders of two-thirds of the votes of the Company’s common shares, and any other shares carrying the right to vote at any general meeting of the shareholders of the Company, cast at a duly called special meeting. The OBCA also provides that a sale, lease or exchange of all or substantially all of the property of a corporation other than in the ordinary course of business of the corporation likewise requires the approval of the shareholders at a duly called special meeting. For such fundamental changes and sale, lease and exchange, a shareholder is entitled under the OBCA to dissent in respect of such a resolution amending the Articles and, if the resolution is adopted and the Company implements such changes, demand payment of the fair value of the shareholder’s common shares.

#### Impediments to Change of Control

In 2016, the Canadian Securities Administrators (the “CSA”) enacted amendments (the “Bid Amendments”) to the Take-Over Bid Regime. The Bid Amendments, which are very significant, are contained in National Instrument (NI) 62-104.

The Bid Amendments were intended to enhance the quality and integrity of the take-over bid regime and rebalance the current dynamics among offerors, offeree issuer boards of directors (“Offeree Boards”), and offeree issuer security holders by (i) facilitating the ability of offeree issuer security holders to make voluntary, informed and coordinated tender decisions, and (ii) providing the Offeree Board with additional time and discretion when responding to a take-over bid.

Specifically, the Bid Amendments require that all non-exempt take-over bids

(1) receive tenders of more than 50% of the outstanding securities of the class that are subject to the bid, excluding securities beneficially owned, or over which control or direction is exercised, by the offeror or by any person acting jointly or in concert with the offeror (the Minimum Tender Requirement);

(2) be extended by the offeror for an additional 10 days after the Minimum Tender Requirement has been achieved and all other terms and conditions of the bid have been complied with or waived (the 10 Day Extension Requirement); and

(3) remain open for a minimum deposit period of 105 days (the Minimum 105 Day Bid Period) unless

(a) the offeree board states in a news release a shorter deposit period for the bid of not less than 35 days, in which case all contemporaneous take-over bids must remain open for at least the stated shorter deposit period, or

(b) the issuer issues a news release that it intends to effect, pursuant to an agreement or otherwise, a specified alternative transaction, in which case all contemporaneous take-over bids must remain open for a deposit period of at least 35 days.



The Bid Amendments involved fundamental changes to the bid regime to establish a majority acceptance standard for all non-exempt take-over bids, a mandatory extension period to alleviate offeree security holder coercion concerns, and a 105 day minimum deposit period to address concerns that offeree boards did not have enough time to respond to an unsolicited take-over bid. The CSA determined not to amend National Policy 62-202 Defensive Tactics (NP 62-202) in connection with these amendments. They reminded participants in the capital markets of the continued applicability of NP 62-202, which means that securities regulators will be prepared to examine the actions of offeree boards in specific cases, and in light of the amended bid regime, to determine whether they are abusive of security holder rights.

After canvassing several commentaries concerning the new regime, we have concluded that:

- It will be much more difficult for hostile bidders as a result of target issuers having a much longer period of time to respond, concurrent with the added risk and cost to such bidders.
- There is good reason to expect that, except in unusual circumstances, regulators will not permit SRPs to remain in effect after a 105 day bidding period.
- A significant number of reporting issuers have not sought re-approval of their SRPs since the amendments were introduced and those that have sought to renew their SRPs have been required to amend the plans to comply with the new rules.
- A large part of the traditional rationale for adopting SRPs has now been eliminated.

We believe that the amended take-over bid rules provide adequate protection against hostile bids. Having said that, it has been suggested that the new rules do not protect against creeping take-over bids for control which are exempt from the rules (such as the accumulation of 20% or more of the issuer's shares through market transactions or the acquisition of a control block through private agreements with a few large shareholders). These activities would however be identifiable through the early warning filing requirements. If, prior to making a determination that the Company ought to adopt a "strategic" SRP at an annual or special meeting of shareholders, the Company were faced with a hostile bid that we believed was not in the best interests of the Company and its shareholders, the directors could adopt a "tactical" plan which we could take to the shareholders for approval. Nevertheless, at this point in time, we are of the opinion that such action is not necessary and the shareholders should be the best arbiters of when "the pill must go".

#### Stockholder Ownership Disclosure Threshold in Bylaws

Neither our Articles nor By-laws contain a provision governing the ownership threshold above which shareholder ownership must be disclosed. Pursuant to securities legislation, an Early Warning Report and an Insider Report must be filed if a shareholder obtains ownership on a partially diluted basis of 10% or greater of the Company.

#### Special Conditions for Changes in Capital

The conditions imposed by the Company's Articles are not more stringent than required under the OBCA.

#### C. Material Contracts

In addition to any contracts described in "ITEM 7.B. Related Party Transactions" or "ITEM 4. Business Overview", below is a summary of material contracts, other than those entered into by the Company in the ordinary course of business, to which we are or have been a party during the two years immediately preceding the date of this document. Other than contracts entered into in the ordinary course of business, we have not been a party to any other material contract within such two-year period.

1. On May 11, 2016 the Company acquired all the issued and outstanding shares of DenseLight Semiconductor Pte. Ltd. in an all-stock acquisition for \$10,500,000 satisfied through the issuance of 13,611,150 common shares.

2. On June 22, 2016, the Company acquired all the issued and outstanding shares of BB Photonics, a New Jersey company and its subsidiary BB Photonics UK Ltd, collectively BB Photonics, a designer of integrated photonic solutions for the data communications market for consideration of \$1,550,000. The all-stock purchase was accomplished with the issuance of 1,996,090 common share of the Company at a price of \$0.777 per share.
3. On October 19, 2016, the Company announced that it had entered into an agreement with Singapore's Economic Development Board (EDB) to expand the Company's research and development operations in Singapore. Under this agreement, the Company is eligible to receive support up to a maximum of S\$10.7 million (US\$7.7 million) over five years subject to certain expenditure, capital acquisition and head count thresholds.
4. On April 18, 2019, the Company signed loan and security agreements for a senior secured credit facility (the "Bridge Loan") to be provided by Espresso Capital Ltd which grants the Company access to a maximum US\$5,000,000. On April 23, 2019 the Company received the initial advance against the credit facility in the amount of US\$2,000,000. In partial consideration of the US\$5,000,000 gross credit facility available to the Company, and in connection with the initial advance, the Company issued to Espresso Capital warrants for the purchase of 3,289,500 common shares at a price of C\$0.35 per share. The Warrants expire on April 18, 2020.
5. On August 20, 2019, the Company signed a definitive agreement with respect to the sale of DenseLight for \$26,000,000. The Share Sale Agreement was signed on November 8, 2019 when the sale was consummated.
6. On June 30, 2020, the Company announced that it signed a Letter of Intent to establish a joint venture with Xiamen Sanan Integrated Circuit Co. Ltd. ("Sanan IC") to manufacture cost-effective, high-performance optical engines based on POET's proprietary CMOS compatible Optical Interposer platform technology. The definitive joint venture agreement was signed on October 21, 2020.

#### D. Exchange Controls

Canada has no system of exchange controls. There are no Canadian restrictions on the repatriation of capital or earnings of a Canadian public company to non-resident investors. There are no laws in Canada or exchange restrictions affecting the remittance of dividends, profits, interest, royalties and other payments to non-resident holders of the Company's securities, except as discussed in "ITEM 10.E. Taxation" below.

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#### E. Taxation

The following summary discusses certain material U.S. and Canadian tax considerations related to the holding and disposition of common stock as of the hereof. Prospective purchasers of our common stock are advised to consult their own tax advisers concerning the consequences under the tax laws of the country of which they are resident or in which they are otherwise subject to tax of making an investment in our common stock.

##### Canadian Federal Income Tax Considerations

The Company believes the following is a brief summary of the material principal Canadian federal income tax consequences to a U.S. Holder (as defined below) of common shares of the Company who deals at arm's length with the Company, holds the shares as capital property and who, for the purposes of the Income Tax Act (Canada) (the "Tax Act") and the Canada — U.S. Income Tax Convention (1980) (the "Treaty"), is at all relevant times resident in the U.S., is not and is not deemed to be resident in Canada and does not use or hold and is not deemed to use or hold the shares in carrying on a business in Canada. Special rules, which are not discussed below, may apply to a U.S. Holder that is an insurer that carries on business in Canada and elsewhere. U.S. Holders are urged to consult their own tax advisors with respect to their particular circumstances.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder in force at the date hereof, all specific proposals to amend such regulations and the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and the current provisions of the Convention and the

current administrative practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary does not otherwise take into account or anticipate any changes in law or administrative practices whether by legislative, governmental or judicial decision or action, nor does it take into account tax laws of any province or territory of Canada or of the U.S. or of any other jurisdiction outside Canada.

For the purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the common shares must be converted into Canadian dollars based on the relevant exchange rate applicable thereto.

This summary does not address all aspects of Canadian federal income taxation that may be relevant to any particular U.S. Holder in light of such holder's individual circumstances. Accordingly, U.S. Holders should consult with their own tax advisors for advice with respect to their own particular circumstances.

Under the Tax Act and the Treaty, a U.S. Holder of common shares will generally be subject to a 15% withholding tax on dividends paid or credited or deemed by the Tax Act to have been paid or credited on such shares. The withholding tax rate is 5% where the U.S. Holder is a corporation that beneficially owns at least 10% of the voting shares of the Company and the dividends may be exempt from such withholding in the case of some U.S. Holders such as qualifying pension funds and charities.

A U.S. Holder will generally not be subject to tax under the Tax Act on any capital gain realized on a disposition of common shares, provided that the shares do not constitute "taxable Canadian property" to the U.S. Holder at the time of disposition. Generally, common shares will not constitute taxable Canadian property to a U.S. Holder provided that such shares are listed on a designated stock exchange (which currently includes the TSXV) at the time of the disposition and, during the 60-month period immediately preceding the disposition, the U.S. Holder, persons with whom the U.S. Holder does not deal at arm's length, or the U.S. Holder together with all such persons has not owned 25% or more of the issued shares of any series or class of the Company's capital stock. If the common shares constitute taxable Canadian property to a particular U.S. Holder, any capital gain arising on their disposition may be exempt from Canadian tax under the Convention if at the time of disposition the common shares do not derive their value principally from real property situated in Canada.

#### U.S. Federal Income Tax Considerations

Subject to the limitations described herein, the following discussion summarizes certain U.S. federal income tax consequences to a U.S. Holder of our common shares. A "U.S. Holder" means a holder of our common shares who is:

- an individual who is a citizen or resident of the U.S. for U.S. federal income tax purposes;

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- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the U.S. or under the laws of the U.S. or any political subdivision thereof, or the District of Columbia;
  - an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
  - a trust (i) if, in general, a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or (ii) that has in effect a valid election under applicable U.S. Treasury Regulations to be treated as a U.S. person.

Unless otherwise specifically indicated, this discussion does not consider the U.S. tax consequences to a person that is not a U.S. Holder (a "Non-U.S. Holder"). This discussion considers only U.S. Holders that will own our common shares as capital assets (generally, for investment) and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to each U.S. Holder's decision to purchase our common shares.

This discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), current and proposed Treasury Regulations promulgated thereunder, and administrative and judicial decisions as of the date hereof, all of which are subject to change, possibly on a retroactive basis. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to any particular U.S. Holder in light of such holder's individual circumstances. In particular, this discussion does not address the potential application of

the alternative minimum tax or the U.S. federal income tax consequences to U.S. Holders that are subject to special treatment, including U.S. Holders that:

- are broker-dealers or insurance companies;
- have elected market-to-market accounting;
- are tax-exempt organizations or retirement plans;
- are financial institutions or “financial services entities”;
- hold our common shares as part of a straddle, “hedge” or “conversion transaction” with other investments;
- acquired our common shares upon the exercise of employee stock options or otherwise as compensation;
- own directly, indirectly or by attribution at least 10% of our voting power;
- have a functional currency that is not the U.S. Dollar;
- are grantor trusts;
- are certain former citizens or long-term residents of the U.S.; or
- are real estate trusts or regulated investment companies.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds our common shares, the tax treatment of the partnership and a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to its tax consequences.

In addition, this discussion does not address any aspect of state, local or non-U.S. laws or the possible application of U.S. federal gift or estate taxes.

Each potential U.S Holder of our common shares is advised to consult its own tax advisor with respect to the specific tax consequences to it of purchasing, holding or disposing of our common shares, including the applicability and effect of federal, state, local and foreign income tax and other laws to its particular circumstances.

#### Distributions

Subject to the discussion below under “Passive Foreign Investment Company Status,” a U.S. Holder will be required to include in gross income as ordinary dividend income the amount of any distribution paid on our common shares, including any non-U.S. taxes withheld from the amount paid, to the extent the distribution is paid out of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Distributions in excess of such earnings and profits will be applied against and will reduce the U.S. Holder’s basis in our common shares and, to the extent in excess of such basis, will be treated as gain from the sale or exchange of our common shares. The dividend portion of such distributions generally will not qualify for the dividends received deduction available to corporations.

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Subject to the discussion below under “Passive Foreign Investment Company Status,” dividends that are received by U.S. Holders that are individuals, estates or trusts may qualify for taxation at the rate applicable to long-term capital gains (a maximum marginal federal income tax rate of 20%), provided that such U.S. Holders satisfy certain holding period requirements and such dividends meet the requirements of “qualified dividend income.” For this purpose, dividends paid by a non-U.S. corporation may qualify if the non-U.S. corporation is eligible for benefits of a comprehensive income tax treaty with the U.S., which benefits include an information exchange program and is determined to be satisfactory by the U.S. Secretary of the Treasury. The IRS has determined that the U.S.- Canada Tax Treaty is satisfactory for this purpose. Dividends that fail to meet such requirements, and dividends received by corporate U.S. Holders, are taxed at ordinary income rates.

Distributions of current or accumulated earnings and profits paid in foreign currency to a U.S. Holder (including any non-U.S. taxes withheld therefrom) will be includible in the income of a U.S. Holder in a U.S. Dollar amount calculated by reference to the exchange rate on the day the distribution is received. A U.S. Holder that receives a foreign currency distribution and converts the foreign currency into U.S. dollars subsequent to receipt may have foreign exchange gain or loss based on any appreciation or depreciation in the value of the foreign currency against the U.S. dollar, which will generally be U.S. source ordinary income or loss. A loss might not be deductible due to certain limitation.

U.S. Holders will have the option of claiming the amount of any non-U.S. income taxes withheld at source either as a deduction from gross income or as a dollar-for-dollar credit against their U.S. federal income tax liability. Individuals who do not claim itemized deductions, but instead utilize the standard deduction, may not claim a deduction for the amount of the non-U.S. income taxes withheld, but such amount may be claimed as a credit against the individual's U.S. federal income tax liability. The amount of non-U.S. income taxes which may be claimed as a credit in any taxable year is subject to complex limitations and restrictions, which must be determined on an individual basis by each shareholder. These limitations include, among others, rules that limit foreign tax credits allowable with respect to specific classes of income to the U.S. federal income taxes otherwise payable with respect to each such class of income. A U.S. Holder will be denied a foreign tax credit with respect to non-U.S. income tax withheld from a dividend received on the common shares if such U.S. Holder does not satisfy certain holding period requirements.

Distributions of current or accumulated earnings and profits generally will be foreign source income for U.S. foreign tax credit purposes.

#### Disposition of Common Shares

Subject to the discussion below under "Passive Foreign Investment Company Status," upon the sale, exchange or other taxable disposition of our common shares, a U.S. Holder will recognize capital gain or loss in an amount equal to the difference between such U.S. Holder's basis in such common shares, which is usually the cost of such shares, and the amount realized on the disposition. Capital gain from the sale, exchange or other disposition of common shares held more than one year is long-term capital gain, and is eligible for a reduced rate of taxation for individuals (currently a maximum marginal federal income tax rate of 20%). Gains recognized by a U.S. Holder on a sale, exchange or other disposition of common shares generally will be treated as U.S. source income for U.S. foreign tax credit purposes. A loss recognized by a U.S. Holder on the sale, exchange or other taxable disposition of common shares generally is allocated to U.S. source income. The deductibility of capital losses recognized on the sale, exchange or other taxable disposition of common shares is subject to limitations. A U.S. Holder that receives foreign currency upon disposition of common shares and converts the foreign currency into U.S. dollars subsequent to the settlement date or trade date (whichever date the taxpayer was required to use to calculate the value of the proceeds of sale) may have foreign exchange gain or loss based on any appreciation or depreciation in the value of the foreign currency against the U.S. Dollar, which will generally be U.S. source ordinary income or loss. Such loss may not be deductible due to certain limitations.

#### Passive Foreign Investment Company Status

We would be a passive foreign investment company (a "PFIC") if (taking into account certain "look-through" rules with respect to the income and assets of our corporate subsidiaries in which we own 25 percent (by value) of the stock) either (i) 75 percent or more of our gross income for the taxable year was passive income or (ii) the average percentage (by value) of our total assets that are passive assets during the taxable year was at least 50 percent.

If we were a PFIC, each U.S. Holder would (unless it made one of the elections discussed below on a timely basis) be taxable on gain recognized from the disposition of our common shares (including gain deemed recognized if the common shares are used as security for a loan) and upon receipt of certain "excess distributions" (generally, distributions that exceed 125% of the average amount of distributions in respect to such common shares received during the preceding three taxable years or, if shorter, during the U.S. Holder's holding period prior to the distribution year) with respect to our common shares as if such income had been recognized ratably over the U.S. Holder's holding period for the common shares. The U.S. Holder's income for the current taxable year would include (as ordinary income) amounts allocated to the current taxable year and to any taxable year period prior to the first day of the first taxable year for which we were a PFIC. Tax would also be computed at the highest ordinary income tax rate in effect for each other taxable year period to which income is allocated, and an interest charge on the tax as so computed would also apply. Additionally, if we were a PFIC, U.S. Holders who acquire our common shares from decedents (other than non resident aliens) would be denied the normally available step-up in basis for such shares to fair market value at the date of death and, instead, would have a tax basis in such shares equal to the decedent's basis, if lower.

As an alternative to the tax treatment described above, a U.S. Holder could elect to treat us as a “qualified electing fund” (a “QEF”), in which case the U.S. Holder would be taxed currently, for each taxable year that we are a PFIC, on its pro rata share of our ordinary earnings and net capital gain (subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge). Special rules apply if a U.S. Holder makes a QEF election after the first taxable year in its holding period in which we are a PFIC. In the event that we conclude that we will be classified as a PFIC, we will make a determination at such time as to whether we will be able to provide U.S. Holders with the information that is necessary to make a QEF election. Amounts includable in income as a result of a QEF election will be determined without regard to our prior year losses or the amount of cash distributions, if any, received from us. A U.S. Holder’s basis in its common shares will increase by any amount included in income and decrease by any amounts not included in income when distributed because such amounts were previously taxed under the QEF rules. So long as a U.S. Holder’s QEF election is in effect with respect to the entire holding period for its common shares, any gain or loss realized by such holder on the disposition of its common shares held as a capital asset ordinarily will be capital gain or loss.

As an alternative to making the QEF election, a U.S. Holder of PFIC stock which is regularly traded on a qualified exchange may avoid the negative effects of the PFIC rules by electing to mark the stock to market and recognizing as ordinary income or loss, each taxable year that we are a PFIC, an amount equal to the difference as of the close of the taxable year between the fair market value of the PFIC stock and the U.S. Holder’s adjusted tax basis in the PFIC stock. Losses would be allowed only to the extent of net mark-to-market gain previously included by the U.S. Holder under the election for prior taxable years. This election is available for so long as the Company’s common shares constitute “marketable stock,” which includes stock of a PFIC that is “regularly traded” on a “qualified exchange or other market.” Generally, a “qualified exchange or other market” includes a national market system established pursuant to Section 11A of the Exchange Act, or a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located and that has certain characteristics. A class of stock that is traded on one or more qualified exchanges or other markets is “regularly traded” on an exchange or market for any calendar year during which that class of stock is traded, other than in de minimis quantities, on at least 15 days during each calendar quarter, subject to special rules relating to an initial public offering. It is not entirely clear whether either the OTCBB or TSXV are qualified exchanges or other markets, or whether there will be sufficient trading volume with respect to the Company’s common shares, and accordingly, whether the common shares will be “marketable stock” for these purposes. Furthermore, there can be no assurances that the Company’s common shares will continue to trade on any of the exchanges listed above.

We believe we were not a PFIC for the year ending December 31, 2020 and do not expect to be classified as a PFIC for the year ending December 31, 2021. However, PFIC status is determined as of the end of each taxable year and is dependent on a number of factors, including the value of our passive assets, the amount and type of our gross income, and our market capitalization. Therefore, there can be no assurance that we will not become a PFIC for the current taxable year ending December 31, 2020 or in a future taxable year. U.S. Holders which are individuals, estates and trusts and whose income exceeds certain thresholds will be required to pay a 38% surtax on “net investment income” including, among other things, dividends (if any) and net gain realized from our common shares. U.S. Holders should consult with their own tax advisors regarding the application of this tax. We will notify U.S. Holders in the event we conclude that we will be treated as a PFIC for any taxable year.

#### Information Reporting and Backup Withholding

U.S. Holders (other than exempt recipients, such as corporations) generally are subject to information reporting requirements with respect to dividends paid on, or proceeds from the disposition of, our common shares. U.S. Holders are also generally subject to backup withholding (currently at a rate of 28%) on dividends paid on, or proceeds from the disposition of, our common shares unless the U.S. Holder provides IRS Form W-9 or otherwise establishes an exemption.

The amount of any backup withholding will be allowed as a credit against a U.S. or Non-U.S. Holder’s U.S. federal income tax liability and may entitle such holder to a refund, provided that certain required information is furnished to the IRS.

#### F. Dividends and Paying Agents

Not Required.

G. Statements by Experts

The consolidated financial statements of POET Technologies Inc. as of December 31, 2020, 2019 and 2018 included herein, have been audited by Marcum LLP, our independent registered accounting firm for that period, 555 Long Wharf Drive, 8<sup>th</sup> Floor, New Haven, CT 06511, USA, as stated in their report appearing herein, and are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

H. Documents on Display

The Company's documents can be viewed at its Canadian office, located at: Suite 1107, 120 Eglinton Avenue East, Toronto, Ontario M4P 1E2, Canada. Further, we file reports under Canadian regulatory requirements on SEDAR; you may access our reports filed on SEDAR by accessing their website at [www.sedar.com](http://www.sedar.com). The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and files reports, Annual Reports and other information with the SEC. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at [www.sec.gov](http://www.sec.gov). The Company's reports, Annual Reports and other information can be inspected on the SEC's website.

As a foreign private issuer, we are exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we are not required under the Exchange Act to file annual, and other reports and financial statements with the SEC as frequently or as promptly as United States domestic companies whose securities are registered under the Exchange Act.

We maintain a corporate website at [www.poet-technologies.com](http://www.poet-technologies.com). Information contained on, or that can be accessed through, our website does not constitute a part of this Annual Report on Form 20-F. We have included our website address in this Annual Report on Form 20-F solely as an inactive textual reference.

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I. Subsidiary information

Not Required.

ITEM 11. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Short-term investments bear interest at fixed rates, and as such, are subject to interest rate risk resulting from changes in fair value from market fluctuations in interest rates. The Company does not depend on interest from its investments to fund its operations.

Exchange Rate Risk

The Company is exposed to foreign currency risk with the Canadian and Singapore dollar. The Company maintains bank accounts and cash reserves in US, Canadian and Singapore dollars with the majority of reserves currently split between Canadian and US dollars. The Canadian dollar reserves are exposed to currency fluctuations. Most of the company's operations are transacted in US and Singapore dollars. A 10% change in the Canadian and Singapore dollar would have increased or decreased other comprehensive loss by \$229,088.

The following table shows exchange rates, from CAD to USD, for the past six months:

Period	High (1)	Low (1)	Average (2)
February 2021	0.8021	0.7770	0.7874
January 2021	0.7943	0.7767	0.7857

December 2020	0.7887	0.7705	0.7588
November 2020	0.7738	0.7491	0.7557
October 2020	0.7638	0.7467	0.7581
September 2020	0.7687	0.7451	0.7551
September 2020 — February 28, 2021	0.8021	0.7451	0.7736

- (1) Bank of Canada monthly average rates  
(2) Bank of Canada daily closing average rates

The following table shows exchange rates, from SGD to USD, for the past six months:

Period	High (1)	Low (1)	Average (2)
February 2021	0.7581	0.7465	0.7523
January 2021	0.7590	0.7504	0.7547
December 2020	0.7566	0.7450	0.7508
November 2020	0.7479	0.7291	0.7385
October 2020	0.7392	0.7306	0.7349
September 2020	0.7384	0.7248	0.7316
September 2020 — February 28, 2021	0.7590	0.7248	0.7419

- (1) Bank of Singapore monthly average rates  
(2) Bank of Singapore daily closing average rates

#### Market Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company is exposed to fair value fluctuations on its cash equivalents. The Company's other financial instruments (cash and accounts payable and accrued liabilities) are not subject to market risk, due to the short-term nature of these instruments. The Company manages market risk through its investment policy where surplus funds are only invested in a manner that will provide the optimal blend of investment returns and principal protection while meeting its daily cash flow and liquidity demands.

#### ITEM 12. Description of Securities Other than Equity Securities

##### A. Debt Securities

Not Required.

##### B. Warrants and Rights

Not Required.

##### C. Other Securities

Not Required.

##### D. American Depositary Shares

Not Required.

## PART II

#### ITEM 13. Defaults, Dividend Arrearages and Delinquencies

Not Required.



ITEM 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Not Required.

ITEM 15. Controls and Procedures

(a) Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported accurately and within the time frames specified in the SEC's rules and forms and accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Notwithstanding the foregoing, there can be no assurance that our disclosure controls and procedures will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be set forth in our reports.

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(b) Management's Annual Report on Internal Control over Financial Reporting

The Company's Board of Directors and management are responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control system was designed to provide reasonable assurance to management and the Board of Directors regarding the reliability of financial reporting and the preparation and fair presentation of its published consolidated financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective may not prevent or detect misstatements and can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2020. In making this assessment, it used the criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that assessment and those criteria, management concluded that, as of December 31, 2020, the Company's internal control over financial reporting was effective.

(c) Attestation Report of Registered Public Accounting Firm

Not applicable.

(d) Changes in Internal Controls over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the year ended December 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. [RESERVED]

ITEM 16A. Audit Committee Financial Expert

Our Board of Directors has determined that Chris Tsiofas is an audit committee financial expert. The Board has determined that Mr. Tsiofas satisfies the criteria of "audit committee financial expert" set forth in Item 16A of Form 20-F and is independent in accordance with Rule 4200 of the Nasdaq Marketplace Rules.

#### ITEM 16B. Code of Ethics

As amended in March 2021, our Board of Directors adopted a Code of Business Conduct and Ethics (the “Code”) that applies to all our employees, including without limitation our chief executive officer, chief financial officer and principal accounting officer. Our Code may be viewed on our website at [www.poet-technologies.com](http://www.poet-technologies.com) and is filed as an Exhibit to this Annual Report. A copy of our Code may be obtained, without charge, upon a written request addressed to our office at, 120 Eglinton Avenue East, Suite 1107, Toronto, Ontario M4P 1E2, Canada.

#### ITEM 16C. Principal Accountant Fees and Services Fees Paid to Independent Registered Public Accounting Firm

The following table sets forth, for each of the years indicated, the fees billed by our independent registered public accounting firm, Marcum LLP.

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Services Rendered	Year Ended December 31,	
	2020	2019
Audit Fees (1)	\$ 170,500	\$ 175,000
All Other Fees (2)	17,200	17,200
Total	\$ 187,700	\$ 192,200

(1) Audit fees included fees for the audit of the Company’s annual consolidated financial statements and services rendered in connection with filing of registration statements.

(2) Tax fees relate to tax compliance services for our US-based entities.

Our Audit Committee, in accordance with its charter, reviews and pre-approves all audit services and permitted non-audit services (including the fees and other terms) to be provided by our independent auditors. All of the services provided by Marcum LLP over the past two years were pre-approved by the Audit Committee.

#### ITEM 16D. Exemptions from the Listing Standards for Audit Committees

Not Required.

#### ITEM 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Not Required.

#### ITEM 16F. Change in Registrant’s Certifying Accountants

Not Required.

#### ITEM 16G. Corporate Governance

Not Required.

#### ITEM 16H. Mine Safety Disclosure

Not Required.

### PART III

#### ITEM 17. Financial Statements

The Company’s consolidated financial statements are stated in U.S. dollars and are prepared in accordance with IFRS as issued by the International Accounting Standards Board.

The consolidated financial statements required under ITEM 17 are attached hereto and found immediately following the text of this Annual Report and are incorporated by reference herein. The audit report of Marcum LLP, independent registered public accounting firm, is included herein immediately preceding the audited consolidated financial statements.

- a. Audited Financial Statements— for the years ended December 31, 2020, 2019 and 2018 and as of December 31, 2020, 2019 and 2018

#### ITEM 18. Financial Statements

The Company has elected to provide financial statements pursuant to ITEM 17.

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#### ITEM 19. Exhibits

- 1.1 [Certificate and Articles of Continuance \(1\)](#)
- 1.2 [Amended and Restated Bylaws \(2\)](#)
- 2.0 [Description of Securities \(6\)](#)
- 4.1 [License Agreement with the University of Connecticut, dated April 28, 2003, as amended April 15, 2014 \(1\)](#)
- 4.2 [Agency Agreement with IBK Capital Corp., dated February 14, 2013 \(1\)](#)
- 4.3 [Shareholder Rights Plan Agreement between the Company and TMX Equity Transfer Services, Inc.\(2\)](#)
- 4.4 [Employment Agreement with Suresh Venkatesan, dated June 10, 2015 \(3\)](#)
- 4.5 [Employment Agreement with Vivek Rajgarhia, dated November 4, 2019 \(7\)](#)
- 4.6 [Employment Agreement with Thomas Mika, dated November 2, 2016 \(4\)](#)
- 4.7 [Definitive agreement with Sanan Integrated Circuit Co., Ltd dated October 21, 2020 \(7\)](#)
- 4.8 [Sale and Purchase Agreement for DenseLight Semiconductors PTE, LTD, dated April 27, 2016 \(4\)](#)
- 4.9 [Sale and Purchase Agreement for BB Photonics Inc. dated May 16, 2016 \(4\)](#)
- 4.10 [2020 Stock Option Plan \(7\)](#)
- 4.11 [Form of Option Agreement\(1\)](#)
- 4.12 [Form of Warrant for Purchase of Common Shares \(1\)](#)
- 4.13 [Stock Specimen Certificate \(1\)](#)
- 4.14 [Credit Facility Agreement \(5\)](#)
- 4.15 [Share Sale Agreement for DenseLight Semiconductors PTE, Ltd dated August 20, 2019 \(6\)](#)
- 4.16 [Employment agreement with Vivek Rajgarhia, dated November 4, 2019 \(6\)](#)
- 4.17 [Convertible Debenture Indenture, dated April 3, 2019 \(6\)](#)
- 4.18 [Warrant Indenture with TSX Trust Company, dated April 3, 2019 \(6\)](#)
- 4.19 [Convertible Debenture Indenture, dated May 3, 2019 \(6\)](#)
- 4.20 [Warrant Indenture with TSX Trust Company, dated May 3, 2019 \(6\)](#)
- 4.21 [Convertible Debenture Indenture, dated June 3, 2019 \(6\)](#)
- 4.22 [Warrant Indenture with TSX Trust Company, dated June 3, 2019 \(6\)](#)
- 4.23 [Convertible Debenture Indenture, dated August 2, 2019 \(6\)](#)
- 4.24 [Warrant Indenture with TSX Trust Company, dated August 2, 2019 \(6\)](#)
- 4.25 [Convertible Debenture Indenture, dated September 19, 2019 \(6\)](#)
- 4.26 [Warrant Indenture with TSX Trust Company, dated September 19, 2019 \(6\)](#)
- 4.27 [Warrant indenture with TSX Trust Company, dated February 11, 2021 \(7\)](#)
- 4.28 [Engagement letter with Cormark Securities Inc, dated January 25, 2021 \(7\)](#)
- 4.29 [Upsize letter with Cormark Securities Inc, dated January 26, 2021 \(7\)](#)
- 4.30 [Form of Subscription for Units of Private Placement, February 11, 2021 \(7\)](#)
- 8.1 List of Subsidiaries: See ITEM 4.C.
- 11.1 [Code of Business Conduct and Ethics \(7\)](#)
- 12.1 [Certification of Principal Executive Officer pursuant to Rule 13a-14\(a\) or Rule 15d-14\(a\) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(7\)](#)

- 12.2 [Certification of Principal Financial Officer pursuant to Rule 13a-14\(a\) or Rule 15d-14\(a\) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 \(7\)](#)
- 13.1 Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (7)
- 13.2 Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (7)
- 23.1 [Consent of Marcum LLP, independent registered accounting firm \(7\)](#)
- 101.INS(\*) XBRL Instance Document (7)
- 101.SCH(\*) XBRL Taxonomy Extension Schema Linkbase Document (7)
- 101.AL(\*) XBRL Taxonomy Extension Calculation Linkbase Document (7)
- 101.DEF(\*) XBRL Taxonomy Extension Definition Linkbase Document (7)
- 101.LAB(\*) XBRL Taxonomy Extension Label Linkbase Document (7)
- 101.PRE(\*) XBRL Taxonomy Extension Presentation Linkbase Document (7)
- 104(\*) Cover Page Interactive Data File (embedded within Inline XBRL document) (7)

(1) Filed as an exhibit to the Company's registration statement under the Securities and Exchange Act on Form 20-F on May 15, 2014 and incorporated herein by reference.

(2) Filed as an exhibit to the Company's annual Form 20-F on April 13, 2015 and incorporated herein by reference.

(3) Filed as an exhibit to the Company's annual Form 20-F on March 18, 2016 and incorporated herein by reference.

(4) Filed as an exhibit to the Company's annual Form 20-F on April 18, 2017 and incorporated herein by reference.

(5) Filed as an exhibit to the Company's annual Form 20-F on April 30, 2019 and incorporated herein by reference

(6) Filed as an exhibit to the Company's annual Form 20-F on April 29, 2020 and incorporated herein by reference.

(7) Filed as an exhibit to this Form 20-F.

(\*) In accordance with Rule 402 of Regulation S-T, the information in these exhibits shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

#### WHERE TO FIND ADDITIONAL INFORMATION

We file reports and other information with the Securities and Exchange Commission; you may obtain copies of our filings with the SEC by accessing their website located at [www.sec.gov](http://www.sec.gov). Further, we file reports under Canadian regulatory requirements on SEDAR; you may access our reports filed on SEDAR by accessing their website at [www.sedar.com](http://www.sedar.com).

#### MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The accompanying consolidated financial statements of the Company and other financial information contained in this Annual Report are the responsibility of management. The consolidated financial statements have been prepared in conformity with IFRS, using management's best estimates and judgments, where appropriate. In the opinion of management, these consolidated financial statements reflect fairly the financial position and the results of operations and cash flows of the Company within reasonable limits of materiality. The financial information contained elsewhere in this Annual Report has been reviewed to ensure consistency with that in the consolidated financial statements.

To assist management in discharging these responsibilities, the Company maintains a system of procedures and internal control which is designed to provide reasonable assurance that its assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and that the financial records form a reliable base for the preparation of accurate and reliable financial information.

The Board of Directors endeavors to ensure that management fulfills its responsibilities for the financial reporting and internal control. The Board of Directors exercises this responsibility through its independent Audit Committee comprising a majority of unrelated and outside directors. The Audit Committee meets periodically with management and annually with the external auditors to review audit recommendations and any matters that the auditors believe should be brought to the attention of the Board of Directors. The Audit Committee also reviews the consolidated financial statements and recommends to the Board of Directors that the statements be approved for issuance to the shareholders.

The consolidated financial statements for the years ended December 31, 2020, 2019 and 2018 have been audited by Marcum LLP, independent registered public accounting firm, which has full and unrestricted access to the Audit Committee. Marcum's report on the consolidated financial statements is presented herein.

SIGNATU  
RES

The Registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

POET TECHNOLOGIES INC.

*/s/ Suresh Venkatesan*

\_\_\_\_\_  
Suresh Venkatesan  
Chief Executive Officer

Date: April 09, 2021

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**POET  
TECHNOLOGIES INC.**

**Consolidated Financial Statements  
For the Year Ended December 31, 2020, 2019 and 2018**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and Board of Directors of  
POET Technologies Inc.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated statements of financial position of POET Technologies Inc. (the “Company”) as of December 31, 2020, 2019 and 2018, the related consolidated statements of operations and deficit, comprehensive loss, changes in shareholders’ equity and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, 2019 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Basis for Opinion**

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and the Canadian Public Accounting Board (“CPAB”) and are required to be independent with respect to the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

*/s/ Marcum LLP*

Marcum LLP

We have served as the Company’s auditor since 2009, such date takes into account the acquisition of a portion of UHY LLP by Marcum LLP in April 2010.

New Haven, Connecticut  
April 09, 2021

**POET TECHNOLOGIES INC.**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
(Expressed in US Dollars)**

December 31,	2020	2019	2018
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents (Note 2)	\$ 6,872,894	\$ 1,428,129	\$ 2,567,868
Accounts receivable (Notes 2 and 4)	-	-	946,944

Receivable from the sale of discontinued operations (Notes 3 and 23)	-	18,000,000	-
Prepays and other current assets (Note 5)	<b>618,717</b>	831,265	2,936,619
Inventory (Note 6)	-	-	436,833
	<b>7,491,611</b>	20,259,394	6,888,264
Property and equipment (Note 7)	<b>3,185,754</b>	3,143,060	9,299,513
Patents and licenses (Note 8)	<b>438,677</b>	452,384	466,714
Right of use asset (Note 9)	<b>520,686</b>	222,517	-
Intangible assets (Note 10)	-	-	802,409
Goodwill (Note 24)	-	-	7,681,003
	<b>\$ 11,636,728</b>	<b>\$ 24,077,355</b>	<b>\$ 25,137,903</b>

#### Liabilities

##### Current

Accounts payable and accrued liabilities (Note 11)	<b>\$ 1,730,361</b>	\$ 1,725,708	\$ 3,040,422
Covid-19 government support loans (Note 26)	<b>147,841</b>	-	-
Lease liability (Note 9)	<b>172,949</b>	90,504	-
Convertible debentures (Note 12)	<b>3,341,246</b>	3,089,033	-
	<b>5,392,397</b>	4,905,245	3,040,422

Non-current covid-19 government support loans (Note 26)	<b>70,310</b>	-	-
Non-current lease liability (Note 9)	<b>359,048</b>	133,254	-
Deferred tax liability (Note 24)	-	-	1,000,427
Deferred rent	-	-	1,814
	<b>5,821,755</b>	5,038,499	4,042,663

#### Shareholders' Equity

Share capital (Note 13(b))	<b>114,586,260</b>	112,144,172	112,028,194
Equity component of convertible debentures (Note 12)	<b>565,121</b>	627,511	-
Warrants and compensation options (Note 14)	<b>5,557,002</b>	8,525,358	8,303,738
Contributed surplus (Note 15)	<b>44,407,679</b>	38,799,337	36,042,754
Accumulated other comprehensive loss	<b>(1,983,212)</b>	(1,908,715)	(2,083,514)
Deficit	<b>(157,317,877)</b>	(139,148,807)	(133,195,932)
	<b>5,814,973</b>	19,038,856	21,095,240
	<b>\$ 11,636,728</b>	<b>\$ 24,077,355</b>	<b>\$ 25,137,903</b>

Commitments and contingencies (Note 17)

On behalf of the Board of Directors

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
**(Expressed in US Dollars)**

<b>For the Years Ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Operating expenses			
Selling, marketing and administration (Note 22)	<b>8,137,998</b>	6,697,387	6,173,875
Research and development (Note 22)	<b>6,634,317</b>	2,083,815	2,262,476
Operating expenses	<b>14,772,315</b>	8,781,202	8,436,351
Impairment of long lived assets (Notes 10 and 24)	-	1,764,459	-
Interest expense (Notes 9 and 12)	<b>937,903</b>	819,911	-
Amortization of debt issuance costs (Note 12)	-	372,340	-
Other income, including interest	<b>(41,148)</b>	(10,540)	(14,234)
Credit loss on receivable from sale of discontinued operation (Notes 3 and 23)	<b>2,500,000</b>	-	-
Net loss from continuing operations, before taxes	<b>(18,169,070)</b>	(11,727,372)	(8,422,117)
Income tax recovery (Note 25)	-	292,740	-
Net loss from continuing operations	<b>(18,169,070)</b>	(11,434,632)	(8,422,117)
Income (loss) from discontinued operations, net of taxes (Notes 23 and 25)	-	5,481,757	(7,900,662)
Net loss	<b>(18,169,070)</b>	(5,952,875)	(16,322,779)
Deficit, beginning of year	<b>(139,148,807)</b>	(133,195,932)	(116,873,153)
Net loss	<b>(18,169,070)</b>	(5,952,875)	(16,322,779)
Deficit, end of year	<b>\$(157,317,877)</b>	\$(139,148,807)	\$(133,195,932)
Basic and diluted loss per share, continuing operations (Note 16)	<b>\$ (0.06)</b>	\$ (0.04)	\$ (0.03)
Basic and diluted income (loss) per share, discontinued operations (Note 16)	\$ -	\$ 0.02	\$ (0.03)
Basic and diluted net loss per share (Note 16)	<b>\$ (0.06)</b>	\$ (0.02)	\$ (0.06)

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**(Expressed in US Dollars)**

<b>For the Years Ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net loss	<b>\$ (18,169,070)</b>	\$ (5,952,875)	\$ (16,322,779)
Other comprehensive income (loss) - net of income taxes			
Exchange differences on translating foreign operations, continuing operations	<b>(74,497)</b>	3,109	(543,557)
Exchange differences on translating foreign operations, discontinued operations	-	171,690	218,675
Comprehensive loss	<b>\$ (18,243,567)</b>	\$ (5,778,076)	\$ (16,647,661)

The accompanying notes are an integral part of these consolidated financial statements.



POET TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY  
(Expressed in US Dollars)

<b>For the Years Ended December 31,</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Share Capital</b>			
Beginning balance	\$ 112,144,172	\$ 112,028,194	\$ 103,616,221
Funds from the exercise of stock options	794,808	60,028	87,974
Fair value of stock options exercised	768,356	55,950	82,330
Funds from the exercise of warrants and compensation warrants	293,642	-	1,028,471
Fair value of warrants and compensation warrants exercised	127,964	-	447,270
Conversion of convertible debentures	369,545	-	-
Fair value of warrants issued on conversion of convertible debentures	(146,858)	-	-
Exercise of warrants issued in conjunction with debt financing	221,620	-	-
Common shares issued to settle accounts payable	13,011	-	-
Common shares issued on public offering	-	-	10,663,548
Share issue costs	-	-	(1,131,990)
Fair value of warrants issued on public offering	-	-	(2,286,426)
Fair value of compensation options issued to brokers	-	-	(479,204)
December 31,	<u>114,586,260</u>	<u>112,144,172</u>	<u>112,028,194</u>
<b>Equity Component of convertible debentures</b>			
Beginning balance	627,511	-	-
Fair value of equity component of convertible debentures	(62,390)	627,511	-
December 31,	<u>565,121</u>	<u>627,511</u>	<u>-</u>
<b>Warrants and Compensation Options</b>			
Beginning balance	8,525,358	8,303,738	5,985,378
Fair value of warrants issued in conjunction with of debt financing	(221,620)	221,620	-
Fair value of warrants and compensation warrants exercised	(127,964)	-	(447,270)
Fair value of expired warrants and compensation options	(2,765,630)	-	-
Fair value of warrants issued on the exercise of convertible debentures	146,858	-	-
Fair value of warrants issued on public offering	-	-	2,286,426
Fair value of compensation options issued to brokers	-	-	479,204
December 31,	<u>5,557,002</u>	<u>8,525,358</u>	<u>8,303,738</u>
<b>Contributed Surplus</b>			
Beginning balance	38,799,337	36,042,754	32,102,967
Stock-based compensation	3,612,945	2,812,533	4,022,117
Fair value of stock options exercised	(768,356)	(55,950)	(82,330)
Fair value of expired warrants and compensation options	2,765,630	-	-
Fair value of early conversion of convertible debentures	(1,877)	-	-
December 31,	<u>44,407,679</u>	<u>38,799,337</u>	<u>36,042,754</u>
<b>Accumulated Other Comprehensive Loss</b>			
Beginning balance	(1,908,715)	(2,083,514)	(1,758,632)
Other comprehensive income (loss) attributable to common shareholders - translation adjustment	(74,497)	174,799	(324,882)
December 31,	<u>(1,983,212)</u>	<u>(1,908,715)</u>	<u>(2,083,514)</u>
<b>Deficit</b>			
Beginning balance	(139,148,807)	(133,195,932)	(116,873,153)

Net loss	<u>(18,169,070)</u>	<u>(5,952,875)</u>	<u>(16,322,779)</u>
December 31,	<u>(157,317,877)</u>	<u>(139,148,807)</u>	<u>(133,195,932)</u>
<b>Total Shareholders' Equity</b>	<b>\$ 5,814,973</b>	<b>\$ 19,038,856</b>	<b>\$ 21,095,240</b>

The accompanying notes are an integral part of these consolidated financial statements.

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## POET TECHNOLOGIES INC.

### CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in US Dollars)

<u>For the Years Ended December 31,</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>CASH AND CASH EQUIVALENTS (USED IN)</b>			
<b>PROVIDED BY:</b>			
<b>OPERATING ACTIVITIES</b>			
Net loss	<u>\$ (18,169,070)</u>	<u>\$ (5,952,875)</u>	<u>\$ (16,322,779)</u>
Discontinued operations, net of tax	<u>-</u>	<u>(5,481,757)</u>	<u>7,900,662</u>
Net loss, continuing operations	<u>(18,169,070)</u>	<u>(11,434,632)</u>	<u>(8,422,117)</u>
Adjustments for:			
Depreciation of property and equipment (Note 7)	<u>631,263</u>	<u>166,342</u>	<u>96,452</u>
Amortization of patents and licenses (Note 8)	<u>65,782</u>	<u>61,671</u>	<u>56,792</u>
Amortization of debt issuance cost (Note 12)	<u>-</u>	<u>372,340</u>	<u>-</u>
Amortization of right of use asset (Note 9)	<u>116,057</u>	<u>15,683</u>	<u>-</u>
Impairment of long lived assets (Notes 10 and 24)	<u>-</u>	<u>1,764,459</u>	<u>-</u>
Accretion of debt discount on convertible debentures (Note 12)	<u>524,095</u>	<u>280,829</u>	<u>-</u>
Stock-based compensation (Note 15)	<u>3,612,945</u>	<u>2,888,141</u>	<u>3,602,879</u>
Income tax recovery (Notes 25)	<u>-</u>	<u>(292,740)</u>	<u>-</u>
Non-cash settled operating costs (Notes 7 and 13)	<u>910,738</u>	<u>-</u>	<u>-</u>
Credit loss on receivable from the sale of discontinued operations (Note 3)	<u>2,500,000</u>	<u>-</u>	<u>-</u>
Gain on lease modification (Note 9)	<u>(786)</u>	<u>-</u>	<u>-</u>
Non-cash foreign exchange	<u>161,000</u>	<u>-</u>	<u>-</u>
	<u>(9,647,976)</u>	<u>(6,177,907)</u>	<u>(4,665,994)</u>
Net change in non-cash working capital accounts:			
Prepaid and other current assets (Note 5)	<u>232,522</u>	<u>(685,667)</u>	<u>(75,855)</u>
Accounts payable and accrued liabilities (Note 11)	<u>(22,510)</u>	<u>420,457</u>	<u>244,054</u>
Cash flows from operating activities, continuing operations	<u>(9,437,964)</u>	<u>(6,443,117)</u>	<u>(4,497,795)</u>
Cash flows from operating activities, discontinued operations	<u>-</u>	<u>(2,951,104)</u>	<u>(4,790,793)</u>
	<u>(9,437,964)</u>	<u>(9,394,221)</u>	<u>(9,288,588)</u>
<b>INVESTING ACTIVITIES</b>			
Proceeds from the sale of discontinued operations (Note 23)	<u>15,500,000</u>	<u>-</u>	<u>-</u>
Purchase of property and equipment (Note 7)	<u>(1,521,788)</u>	<u>(445,678)</u>	<u>-</u>
Purchase of patents and licenses (Note 8)	<u>(52,075)</u>	<u>(65,806)</u>	<u>(67,608)</u>
Cash flows from investing activities, continuing operations	<u>13,926,137</u>	<u>(511,484)</u>	<u>(67,608)</u>
Cash flow from investing activities, discontinued operations	<u>-</u>	<u>5,908,623</u>	<u>(3,467,992)</u>
	<u>13,926,137</u>	<u>5,397,139</u>	<u>(3,535,600)</u>

<b>FINANCING ACTIVITIES</b>			
Issue of common shares for cash, net of issue costs (Note 13)	<b>1,088,450</b>	60,028	10,648,003
Payment of lease liability (Note 9)	<b>(144,142)</b>	(19,162)	-
Proceeds from covid-19 government support loans (Note 26)	<b>218,151</b>	-	-
Proceeds from convertible debentures, net of issue costs paid in cash (Note 12)	-	3,352,849	-
Proceeds from loan payable and promissory note (Note 12)	-	4,000,000	-
Repayment of loan payable and promissory note (Note 12)	-	(4,000,000)	-
<b>Cash flows from financing activities, continuing operations</b>	<b>1,162,459</b>	3,393,715	10,648,003
Cash flow from financing activities, discontinued operations	-	(258,460)	-
	<b>1,162,459</b>	3,135,255	10,648,003
Effect of exchange rate on cash, continuing operations	<b>(205,867)</b>	(263,902)	(256,915)
Effect of exchange rate on cash, discontinued operations	-	(14,010)	26,490
Effect of exchange rate on cash	<b>(205,867)</b>	(277,912)	(230,425)
Net change in cash and cash equivalents, continuing operations	<b>5,444,765</b>	(3,824,788)	5,825,685
Net change in cash and cash equivalents, discontinued operations	-	2,685,049	(8,232,295)
Cash and cash equivalents, beginning of year	<b>1,428,129</b>	2,567,868	4,974,478
Cash and cash equivalents, end of year	<b>\$ 6,872,894</b>	\$ 1,428,129	\$ 2,567,868
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING ACTIVITIES</b>			
Purchase of property and equipment financed through accounts payable	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 250,160</b>

The accompanying notes are an integral part of these consolidated financial statements.

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## **POET TECHNOLOGIES INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Expressed in US Dollars)**

#### **1. DESCRIPTION OF BUSINESS**

POET Technologies Inc. is incorporated in the Province of Ontario. POET Technologies Inc. and its subsidiaries (the "Company") design and develop the POET Optical Interposer and Photonic Integrated Circuits for the data center and tele-communications markets. The Company's head office is located at 120 Eglinton Avenue East, Suite 1107, Toronto, Ontario, Canada M4P 1E2. These audited consolidated financial statements of the Company were approved by the Board of Directors of the Company on March 25, 2021.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements of the Company and its subsidiaries were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below:

#### **Basis of presentation**

These consolidated financial statements include the accounts of POET Technologies Inc. and its subsidiaries; ODIS Inc. ("ODIS"), Opel Solar Inc. ("OPEL"), BB Photonics Inc. ("BB Photonics"), POET Technologies Pte Ltd. ("PTS") and POET Optoelectronics Shenzhen Co., Ltd ("POET Shenzhen"). They also include the accounts of DenseLight Semiconductor Pte Ltd. ("DenseLight") up to November 8, 2019. All intercompany balances and transactions have been eliminated on consolidation.

#### **Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The acquisition cost is measured at the acquisition date at the fair value of the consideration transferred, including all contingent consideration.

Subsequent changes in contingent consideration are accounted for through the consolidated statements of operations and deficit and consolidated statements of comprehensive loss in accordance with the applicable standards.

Goodwill arising on acquisition is initially measured at cost, being the difference between the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree and the net recognized amount (generally fair value) of the identifiable assets and liabilities assumed at the acquisition date. If the net of the amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated statements of operations and deficit as a bargain purchase gain.

Acquisition-related costs, other than those that are associated with the issue of debt or equity securities that the Company incurs in connection with a business combination, are expensed as incurred.

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## **POET TECHNOLOGIES INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Expressed in US Dollars)**

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#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **Foreign currency translation**

These consolidated financial statements are presented in U.S. dollars ("USD"), which is the Company's presentation currency.

Items included in the financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in the statement of operations and deficit.

Assets and liabilities of entities with functional currencies other than U.S. dollars are translated into the presentation currency at the year end rates of exchange, and the results of their operations are translated at average rates of exchange for the year. The resulting translation adjustments are included in accumulated other comprehensive loss in shareholders' equity. Additionally, foreign exchange gains and losses related to certain intercompany loans that are permanent in nature are included in accumulated other comprehensive loss. Elements of equity are translated at historical rates.

### **Financial instruments**

IFRS 9 introduced new classification and measurement models for financial assets. The investment classifications held-to-maturity and available-for-sale are no longer used and financial assets at fair value through other comprehensive income ("FVTOCI") were introduced. Financial assets held with an objective to hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest are measured at amortised cost using the effective interest method. Debt investments held with an objective to hold both assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of fair value are measured at FVTOCI. All other financial assets are classified and measured at fair value through profit or loss ("FVTPL"). Financial liabilities are classified as either FVTPL or other financial liabilities, and the portion of the change in fair value that relates to the Company's credit risk is presented in other comprehensive income (loss). Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in net income (loss). Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as FVTPL, are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in consolidated net income (loss).

### **Derecognition**

#### *Financial assets*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

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## **POET TECHNOLOGIES INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** **(Expressed in US Dollars)**

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#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### *Financial liabilities*

A financial liability is derecognized from the balance sheet when it is extinguished, that is, when the obligation specified in the contract is either discharged, cancelled or expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss from extinguishment of the original financial liability is recognized in profit or loss.

The Company's financial instruments include cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities.

The following table outlines the classification of financial instruments under IAS 39 and the revised classification on the adoption of IFRS 9:

	<b>Original classification under IAS 39</b>	<b>New classification under IFRS 9</b>
<b>Financial Assets</b>		
Cash and cash equivalents	Loans and receivables	Amortized cost
Short-term investments	FVTPL	Amortized cost
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	Amortized costs	Amortized cost
Convertible debentures	Amortized cost	
Covid-19 government support loans	Amortized cost	

Convertible debentures are accounted for as a compound financial instrument with a debt component and a separate equity component. The debt component of these compound financial instruments is measured at fair value on initial recognition by discounting the stream of future interest and principal payments at the rate of interest prevailing at the date of issue for instruments of similar term and risk. The debt component is subsequently deducted from the total carrying value of the compound instrument to derive the equity component. The debt component is subsequently measured at amortized cost using the effective interest rate method. Interest expense based on the coupon rate of the debenture and the accretion of the liability component to the amount that will be payable on redemption are recognized through profit or loss as a finance cost.

#### **Cash and cash equivalents**

Cash and cash equivalents consist of cash in current accounts of \$722,894 (2019 - \$1,278,129, 2018 - \$2,267,868) and funds invested in US Term Deposits of \$6,150,000 (2019 - \$150,000, 2018 - \$300,000) earning interest at 1.31% and maturing in less than 90 days.

Cash and cash equivalents include restricted funds of \$184,569 (2019 - \$93,800, 2018 - \$218,888) which serves as a bank guarantee for the purchase of certain equipment. A bank guarantee was discharged in 2020 and a new bank guarantee was put in place. The bank guarantee is reduced on a monthly basis by \$14,197 (2019 - \$10,424, 2018 - \$10,424) which is the amount paid monthly in settlement of the outstanding balance on the equipment.

#### **Accounts receivable**

Accounts receivable are amounts due from customers from the sale of products or services in the ordinary course of business. Accounts receivables are classified as current (on the consolidated statements of financial position) if payment is due within one year of the reporting period date, and are initially recognized at fair value and subsequently measured at amortized cost.

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## **POET TECHNOLOGIES INC.**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Expressed in US Dollars)**

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#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In determining a default provision, the Company utilizes a provision matrix, as permitted under the simplified approach to measure expected credit losses. In doing so management considered historical credit losses, forward-looking factors specific to the Company's debtors and other macro-economic

factors to arrive at expected default rates. The default rates are then applied to the Company's aging to determine expected credit losses. The carrying amount of trade receivables is reduced by the expected credit losses. If the financial conditions of these customers were to deteriorate and the Company determines that no recovery of a trade receivable is possible, the amount is deemed irrecoverable and subsequently written-off. Accounts receivable at December 31, 2018 related to revenue earned by DenseLight. DenseLight was sold on November 8, 2019 (see Note 23).

### **Inventory**

Inventory consists of raw material inventory, work in process, and finished goods and are recorded at the lower of cost and net realizable value. Cost is determined on a first in first out basis and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to its present condition.

An assessment is made of the net realizable value of inventory at each reporting period. Net realizable value is the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. When circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of any write down previously recorded is reversed so that the new carrying amount is the lower of the cost and the revised net realizable value. Raw materials are not written down unless the goods in which they are incorporated are expected to be sold for less than cost, in which case, they are written down by reference to replacement cost of the raw materials, as this is the best indicator of net realizable value. Inventory at December 31, 2018 related to inventory held by DenseLight. DenseLight was sold on November 8, 2019 (see Note 23).

### **Property and equipment**

Property and equipment are recorded at cost. Depreciation is calculated based on the estimated useful life of the asset using the following method and useful lives:

Machinery and equipment	Straight Line, 5 years
Leasehold improvements	Straight Line, 5 years or life of the lease, whichever is less
Office equipment	Straight Line, 3 - 5 years

### **Patents and licenses**

Patents and licenses are recorded at cost and amortized on a straight line basis over 12 years. Ongoing maintenance costs are expensed as incurred.

### **Impairment of long-lived assets**

The Company's tangible and intangible assets are reviewed for indications of impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. An assessment is made at each reporting date whether there is any indication that an asset may be impaired.

An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the year. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company reported no impairment loss for the year ended December 31, 2020 (2019 - \$714,000, 2018 - nil) (Note 10).

**Goodwill**

Goodwill represents the excess of the cost of an acquired business over the fair value of the identifiable assets acquired net of liabilities assumed. Goodwill is measured at cost less accumulated impairment losses and is not amortized. Goodwill is tested for impairment on an annual basis or whenever facts or circumstances indicate that the carrying amount may exceed its recoverable amount.

The Company performs its annual test for goodwill impairment annually in the fourth quarter. The Company utilized a five-year cash flow forecast using the annual budget approved by the Board of Directors as a basis for such forecasts. Cash flow forecasts beyond that of the budget were prepared using a stable growth rate for future periods. These forecasts were based on historical data and future trends expected by the Company. The Company's valuation model also takes into account working capital and capital investments required to maintain the condition of the assets. Forecasted cash flows were discounted using an after-tax rate of 30%.

Based on the impairment tests, the value in-use of the CGU to which goodwill is applicable is less than the carrying amount. As a result goodwill of \$1,050,459 was impaired in 2019. No provision for impairment of goodwill was made in 2020 or 2018 (Note 24).

**Income taxes**

The Company follows the liability method of accounting for income taxes. Under this method, deferred income taxes are provided on differences between the financial reporting and income tax bases of assets and liabilities and on income tax losses available to be carried forward to future years for tax purposes. Deferred income taxes are measured using the substantively enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. Deferred tax assets are only recognized if the amount is expected to be realized in the future.

**Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control over a product or service to a customer.

**Sale of goods**

Revenue from the sale of goods is recognized, net of discounts and customer rebates, at the point in time the transfer of control of the related products has taken place as specified in the sales contract and collectability is reasonably assured.

**Service revenue**

The Company provides contract services, primarily in the form of non-recurring revenue ("NRE") where control is passed to the customer over time. The contracts generally provide agreed upon milestones for customer payment which include but are not limited to the delivery of sample products, design reports and test reports. The customer makes payment when it has approved the delivery of the milestone. The Company must determine if the contract is made up of a series of independent performance obligations or a single performance obligation. Where NRE contracts contain multiple performance obligations for which a standalone transaction price can be assessed, revenue is recognized as each performance obligation is satisfied. Where NRE contracts contain a



single performance obligation to be settled over time, revenue is recognized progressively based on the output method.

**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in US Dollars)**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Other income**

**Interest income**

Interest income on cash is recognized as earned using the effective interest method.

**Research and Development Credits**

Through DenseLight, the Company was eligible to receive cash credits for certain qualifying research and development expenses based on actual spending over a three year period, with an expectation that the credits would not exceed a certain dollar value over a three year period. Recoverable amounts at December 31, 2018 related to expenditures at DenseLight. There was no recoverable amount at December 31, 2020 or 2019 because the Company sold DenseLight on November 8, 2019.

**Wage subsidies**

Wages subsidies received from the Singaporean government are netted against payroll costs on the consolidated statements of operations and deficit.

**Intangible assets**

**Research and development costs**

Research costs are expensed in the year incurred. Development costs are also expensed in the year incurred unless the Company believes a development project meets IFRS criteria as set out in IAS 38, *Intangible Assets*, for deferral and amortization. IAS 38 requires all research costs be charged to expense while development costs are capitalised only after technical and commercial feasibility of the asset for sale or use have been established. This means that the entity must intend and be able to complete the intangible asset and either use it or sell it and be able to demonstrate how the asset will generate future economic benefits. Development costs are tested for impairment whenever events or changes indicate that its carrying amount may not be recoverable.

**In-Process Research and Development**

Under IFRS, in-process research and development (“IPR&D”) acquired in a business combination that meets the definition of an intangible asset is capitalized with amortization commencing when the asset is ready for use (i.e., when development is complete). The Company acquired \$714,000 of IPR&D when it acquired BB Photonics Inc. in 2016. During 2019, management observed indicators that suggested that IPR&D may be impaired. IPR&D acquired with BB Photonics was no longer useable with the novel POET Interposer platform. BB Photonics IPR&D would not generate sufficient cash flow to support its value in use. Management completed an assessment of IPR&D and determined that the amount of \$714,000 was impaired. An impairment loss of \$714,000 was recorded during the year ended December 31, 2019. No impairment was recorded in 2020 or 2018 (Note 10).

## Customer relationships

Intangible assets include customer relationships acquired with the acquisition of DenseLight. Customer relationships is an externally acquired intangible asset and is measured at cost less accumulated amortization and any accumulated impairment losses. Customer relationships are amortized on a straight-line basis over their estimated useful lives and is tested for impairment whenever events or changes indicate that their carrying amount may not be recoverable. The useful life of customer relationships was determined to be 5 years. Customer relations was nil at December 31, 2020 and 2019 because the asset was disposed of with the sale of DenseLight on November 8, 2019.

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## POET TECHNOLOGIES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in US Dollars)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Stock-based compensation

Stock options and warrants awarded to non employees are measured using the fair value of the goods or services received unless that fair value cannot be estimated reliably, in which case measurement is based on the fair value of the stock options. Stock options and warrants awarded to employees are accounted for using the fair value method. The fair value of such stock options and warrants granted is recognized as an expense on a proportionate basis consistent with the vesting features of each tranche of the grant. The fair value is calculated using the Black-Scholes option pricing model with assumptions applicable at the date of grant.

##### Income (loss) per share

Basic income (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the year. Diluted income (loss) per share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the year after giving effect to potentially dilutive financial instruments. The dilutive effect of stock options and warrants is determined using the treasury stock method.

#### 3. RECEIVABLE FROM THE SALE OF DISCONTINUED OPERATIONS

On November 8, 2019, the Company sold 100% of the issued and outstanding shares of DenseLight for \$26,000,000. The Company received \$8,000,000 upon the consummation of the sale with the remaining \$18,000,000 expected over three tranche payments in 2020. Payments received in the first quarter were as follows: \$4,750,000 received on February 14, 2020 and \$8,250,000 received on March 30, 2020.

The Company received payments of \$1,500,000 and \$1,000,000 on June 29, 2020 and July 3, 2020 respectively. After taking into consideration the length of time it had taken the Buyer to make the foregoing payments and the Company's expectations regarding the likelihood of receiving an additional payment, the Company determined that it was in its best interest to accept partial payments as final payment on the Company's receivable. As a result, the Company recognized a credit loss of \$2,500,000 during the year ended December 31, 2020 (nil - 2019 and nil - 2018).

#### 4. ACCOUNTS RECEIVABLE

The carrying amounts of accounts receivable approximate their fair value and are originally denominated in Singapore dollars before conversion to US dollars at December 31:

<u>2020</u>	<u>2019</u>	<u>2018</u>
-------------	-------------	-------------

Product sales	United States dollar	\$	-	\$	-	\$	713,744
Product sales	Singapore dollar		-		-		273,815
Loss allowance			-		-		(40,615)
		\$	-	\$	-	\$	946,944

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The trade receivables that are neither past due nor impaired relates to customers that the company has assessed to be creditworthy based on the credit evaluation process performed by management which considers both customers' overall credit profile and its payment history with the Company. The loss allowance is determined in accordance IFRS 9 (Note 20). Trade receivables at December 31, 2018 related to DenseLight. Trade receivables were nil at December 31, 2020 and 2019 because DenseLight was sold on November 8, 2019.

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## POET TECHNOLOGIES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Expressed in US Dollars)

#### 5. PREPAIDS AND OTHER CURRENT ASSETS

The following table reflects the details of prepaids and other current assets at December 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Sales tax recoverable and other current assets	\$ 122,353	\$ 81,265	\$ 85,658
Research and development credit	-	-	1,905,593
Security deposits on leased properties	-	-	233,983
Prepaid expenses	496,364	750,000	711,385
	<u>\$ 618,717</u>	<u>\$ 831,265</u>	<u>\$ 2,936,619</u>

Research and development credit, security deposits on leased properties and certain prepaid expenses were disposed of upon the sale of DenseLight on November 8, 2019.

#### 6. INVENTORY

The following table reflects the details of inventory at December 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Raw materials	\$ -	\$ -	\$ 98,370
Finished goods	-	-	212,361
Work in process	-	-	126,102
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 436,833</u>

The Company disposed of its inventory upon the sale of DenseLight on November 8, 2019.

#### 7. PROPERTY AND EQUIPMENT

	Equipment not ready for use	Leasehold improvements	Machinery and equipment	Office equipment	Total
<b>Cost</b>					
Balance, January 1, 2018	\$ 581,074	\$ 667,342	\$10,795,468	\$ 373,913	\$ 12,417,797
Additions	3,667,894	-	-	50,258	3,718,152
Reclassification <sup>(1)</sup>	(1,086,895)	-	881,221	202,674	(3,000)
Impairment and disposals <sup>(1)</sup>	-	-	(611,875)	(3,665)	(615,540)
Effect of changes in foreign exchange rates	(19,920)	-	(46,829)	(1,739)	(68,488)
Balance, December 31, 2018	3,142,153	667,342	11,017,985	621,441	15,448,921
Additions	1,986,210	-	39,260	19,480	2,044,950
Disposals <sup>(2)</sup>	(4,388,762)	(667,342)	(8,198,519)	(555,688)	(13,810,311)
Effect of changes in foreign exchange rates	24,741	-	14,529	-	39,270
Balance, December 31, 2019	764,342	-	2,873,255	85,233	3,722,830
Additions	888,726	68,961	525,685	38,416	1,521,788
Reclassification	(519,366)	-	516,111	3,255	-
Disposals <sup>(3)</sup>	(897,727)	-	-	-	(897,727)
Effect of changes in foreign exchange rates	(8,828)	2,967	79,606	1,281	75,026
Balance, December 31, 2020	\$ 227,147	\$ 71,928	\$ 3,994,657	\$ 128,185	\$ 4,421,917

**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in US Dollars)**

**7. PROPERTY AND EQUIPMENT (Continued)**

<b>Accumulated Depreciation</b>					
Balance, January 1, 2018	-	216,688	3,665,782	257,157	4,139,627
Depreciation for the year	-	133,809	2,201,133	133,662	2,468,604
Impairment and disposals <sup>(1)(2)</sup>	-	-	(455,158)	(3,665)	(458,823)
Balance, December 31, 2018	-	350,497	5,411,757	387,154	6,149,408
Depreciation for the year	-	-	144,337	22,005	166,342
Impairment and disposals <sup>(2)</sup>	-	(350,497)	(5,044,288)	(341,195)	(5,735,980)
Balance, December 31, 2019	-	-	511,806	67,964	579,770
Depreciation for the year	-	10,332	609,803	11,128	631,263
Effect of changes in foreign exchange rates	-	445	24,405	280	25,130
Balance, December 31, 2020	-	10,777	1,146,014	79,372	1,236,163

**Carrying Amounts**

At December 31, 2018	<u>\$3,142,153</u>	<u>\$ 316,845</u>	<u>\$ 5,606,228</u>	<u>\$ 234,287</u>	<u>\$ 9,299,513</u>
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At December 31, 2019	<u>\$ 764,342</u>	<u>\$ -</u>	<u>\$ 2,361,449</u>	<u>\$ 17,269</u>	<u>\$ 3,143,060</u>
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At December 31, 2020	<u>\$ 227,147</u>	<u>\$ 61,151</u>	<u>\$ 2,848,643</u>	<u>\$ 48,813</u>	<u>\$ 3,185,754</u>
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(1) During 2018, \$3,000 relating to certain property and equipment were reclassified to non-current assets held for sale and was sold in December 2018 while \$156,717 was recorded as an impairment loss and was included in discontinued operations.

(2) On November 8, 2019, the Company disposed of property and equipment used in the operations DenseLight.

(3) During 2020, the Company settled certain R&D expenses by transferring \$897,727 worth of equipment to the supplier. The equipment was initially installed in the fabrication facility of the supplier who provided discounted R&D services to the Company. The equipment will be used by the supplier for volume production primarily for the benefit of the Company.

**8. PATENTS AND LICENSES****Cost**

Balance, January 1, 2018	\$ 670,430
Additions	67,608
Effect of changes in foreign exchange rates	<u>(352)</u>

Balance, December 31, 2018	737,686
Additions	77,037
Disposals <sup>(1)</sup>	<u>(29,696)</u>

Balance, December 31, 2019	785,027
Additions	<u>52,075</u>

Balance, December 31, 2020	<u>837,102</u>
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**Accumulated Amortization**

Balance, January 1, 2018	214,180
Amortization	<u>56,792</u>

Balance, December 31, 2018	270,972
Amortization	<u>61,671</u>

Balance, December 31, 2019	332,643
Amortization	<u>65,782</u>

Balance, December 31, 2020	<u>398,425</u>
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**POET TECHNOLOGIES INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in US Dollars)****8. PATENTS AND LICENSES (Continued)****Carrying Amounts**

At December 31, 2018	<u>\$ 466,714</u>
At December 31, 2019	<u>\$ 452,384</u>
At December 31, 2020	<u>\$ 438,677</u>

(1) On November 8, 2019, the Company disposed of certain patents unrelated to the Company's technology on the sale of DenseLight.

## 9. RIGHT OF USE ASSET AND LEASE LIABILITY

On January 1, 2019, the Company adopted IFRS, 16 Leases. Upon adoption of IFRS 16, the Company recognized a lease liability and right of use asset relating to new leases entered into on February 15, 2019 related to DenseLight, and November 1, 2019 related to PTS. The lease liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate of 12%. During 2020, the Company modified its lease resulting in reducing the space it leased for the operations at PTS. The Company recognized a gain of \$786 on the lease modification which is included in selling, general and marketing on the consolidated statements of operations and deficit.

<u>Right of use asset</u>	<u>Building</u>
<b>Cost</b>	
Balance, January 1, 2019	\$ -
Additions	1,127,534
Disposal <sup>(1)</sup>	(892,300)
Effect of changes in foreign exchange rates	<u>2,966</u>
Balance, December 31, 2019	238,200
Additions	465,068
Lease modification	(47,939)
Effect of changes in foreign exchange rates	<u>(2,097)</u>
Balance, December 31, 2020	<u>\$ 653,232</u>
<b>Accumulated Amortization</b>	
Balance, January 1, 2019	-
Amortization	<u>15,683</u>
Balance, December 31, 2019	15,683
Amortization	116,057
Effect of changes in foreign exchange rates	<u>806</u>
Balance, December 31, 2020	<u>132,546</u>
<b>Carrying Amounts</b>	
At December 31, 2019	<u>\$ 222,517</u>
At December 31, 2020	<u>\$ 520,686</u>

POET TECHNOLOGIES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Expressed in US Dollars)

## 9. RIGHT OF USE ASSET AND LEASE LIABILITY (Continued)

**Lease liability**

Balance, January 1, 2019	\$ -
Additions	1,127,534
Interest expense	4,705
Interest included in discontinued operations	74,494
Lease payments	(19,162)
Lease payments included in discontinued operations	(258,460)
Disposal <sup>(1)</sup>	(695,733)
Effect of changes in foreign exchange rates	(9,620)
Balance, December 31, 2019	223,758
Interest expense	44,655
Lease modification	(48,725)
Additions	452,385
Lease payments	(144,142)
Effect of changes in foreign exchange rates	4,066
Balance, December 31, 2020	\$ 531,997

(1) The Company disposed of \$892,000 of right of use asset and \$695,733 of lease liability on November 8, 2019 with the sale of DenseLight on November 8, 2019 (Note 23).

**10. INTANGIBLE ASSETS**

	<u>Technology</u>	<u>Customer Relationships</u>	<u>Total</u>
<b>Cost</b>			
Balance, January 1, 2018 and December 31, 2018	\$ 714,000	\$ 186,131	\$ 900,131
Impairment	(714,000)	-	(714,000)
Disposals <sup>(1)</sup>	-	(186,131)	(186,131)
Balance, December 31, 2019 and 2020	-	-	-
<b>Accumulated Amortization</b>			
Balance, January 1, 2018 and December 31, 2018	-	97,722	97,722
Disposals <sup>(1)</sup>	-	(97,722)	(97,722)
Balance, December 31, 2019 and 2020	-	-	-
<b>Carrying Amounts</b>			
At December 31, 2018	\$ 714,000	\$ 88,409	\$ 802,409
At December 31, 2019	\$ -	\$ -	\$ -
At December 31, 2020	\$ -	\$ -	\$ -

(1) The Company disposed of its customer relationships intangible assets and related amortization on November 8, 2019 with the sale of DenseLight (Note 23).

**11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities at December 31 was as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Trade payables	\$ 1,603,284	\$ 1,507,644	\$ 2,269,845
Payroll related liabilities	60,455	44,677	595,720
Accrued liabilities	<u>66,622</u>	<u>173,387</u>	<u>174,857</u>
	<u>\$ 1,730,361</u>	<u>\$ 1,725,708</u>	<u>\$ 3,040,422</u>

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**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in US Dollars)**

**12. CONVERTIBLE DEBENTURES, LOAN PAYABLE AND PROMISSORY NOTE**

On April 1, 2019 the Company announced that it arranged for certain financing required to bridge the Company up to the sale of its DenseLight subsidiary.

**Convertible Debentures**

The first component of the financing consists of the issuance of up to \$10.5 million (CAD\$14 million) of unsecured convertible debentures (the “Convertible Debentures”) of the Company. The Convertible Debentures were sold in multiple tranches, on a brokered private placement basis through the Company’s financial advisors, IBK Capital. In 2019, the Company closed five tranches of the private placement of the Convertible Debentures that raised gross proceeds of \$3,729,921 (CAD\$4,988,292). The Convertible Debentures, bear interest at 12% per annum, compounded annually with 1% payable at the beginning of each month and mature two years from the date of issue. The Company paid \$377,072 (CAD\$499,462) in brokerage fees and other costs related to the closing of these five tranches.

The Convertible Debentures are convertible at the option of the holders thereof into units at any time after October 31, 2019 at a conversion price of CAD\$0.40 per unit for a total 12,457,500 units of the Company. Each unit will consist of one common share and one common share purchase warrant. Each common share purchase warrant will entitle the holder to purchase one common share of the Company at a price of CAD\$0.50 per share for a period of four years from the date upon which the convertible debenture is issued. Upon completing the sale of DenseLight, holders of Convertible Debentures will have the right to cause the Company to repurchase the Convertible Debentures at face value, subject to certain restrictions. The Convertible Debentures are governed by a trust indenture between the Company and TSX Trust Company as trustee.

Insiders of the Company subscribed for 14.3% or \$535,000 (CAD\$710,000) of the Convertible Debentures, including the Company’s board of directors and senior management team. Insiders of IBK Capital subscribed for 4% or \$146,000 (CAD\$200,000) of the Convertible Debentures.

IAS 32 *Financial Instruments: Presentation* define these debt securities as compound financial instruments made up of both a liability component and an equity component. The debt component of the Convertible Debentures were fair valued using effective discount rates ranging from 28.74% to 29.71% which the Company determined would be the interest rate of the debts without a conversion feature. The difference between the fair value of the debt component and the loan is allocated to the equity component and is included in shareholders’ equity.

Because the Convertible Debentures are denominated in Canadian dollars and the conversion price is also denominated in Canadian dollars, the number of equity instruments that would be issued upon exercise of the convertible debentures are fixed. As a result, the equity component of the convertible debentures will not be periodically remeasured.



During 2020, holders of certain convertible debentures converted \$369,545 (2019 - nil) worth of convertible debentures into 1,235,000 units of the Company.

The following table reflects the details of convertible debentures at December 31, 2020:

<u>Convertible Debentures</u>	<u>Loan</u>	<u>Equity Component</u>	<u>Accretion</u>	<u>Debt Component</u>
Issued April 3, 2019 (net of issue costs)	\$ 1,293,519	\$ (242,004)	\$ 338,988	\$ 1,390,503
Issued May 3, 2019 (net of issue costs)	806,893	(151,842)	218,159	873,210
Issued June 3, 2019 (net of issue costs)	496,995	(93,278)	117,481	521,198
Issued August 2, 2019 (net of issue costs)	290,365	(54,978)	62,683	298,070
Issued September 19, 2019 (net of issue costs)	122,965	(23,019)	22,905	122,851
Effect of foreign exchange rate changes	-	-	-	135,414
Balance December 31, 2020	<u>\$3,010,737</u>	<u>\$ (565,121)</u>	<u>\$ 760,216</u>	<u>\$ 3,341,246</u>

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## POET TECHNOLOGIES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in US Dollars)

#### 12. CONVERTIBLE DEBENTURES, LOAN PAYABLE AND PROMISSORY NOTE (Continued)

The following table reflects the details of convertible debentures at December 31, 2019:

<u>Convertible Debentures</u>	<u>Loan</u>	<u>Equity Component</u>	<u>Accretion</u>	<u>Debt Component</u>
Issued April 3, 2019 (net of issue costs)	\$ 1,293,519	\$ (242,004)	\$ 128,240	\$ 1,179,755
Issued May 3, 2019 (net of issue costs)	979,256	(183,317)	84,708	880,647
Issued June 3, 2019 (net of issue costs)	582,356	(109,017)	42,855	516,194
Issued August 2, 2019 (net of issue costs)	374,753	(70,154)	19,690	324,289
Issued September 19, 2019 (net of issue costs)	122,965	(23,019)	5,336	105,282
Effect of foreign exchange rate changes	-	-	-	82,866
Balance December 31, 2019	<u>\$3,352,849</u>	<u>\$ (627,511)</u>	<u>\$ 280,829</u>	<u>\$ 3,089,033</u>

#### Loan Payable and Promissory Note

The second component of the financing in 2019 consisted of a credit facility (the “Bridge Loan”) provided by Espresso Capital Ltd which granted the Company access to a maximum \$5,000,000. The Company signed the loan documents on April 18, 2019 and was advanced \$3,100,000 shortly thereafter.

Funds drawn on the Credit Facility bore interest at a rate of 17.25% per annum (the “Interest Rate”), calculated daily from the date of each advance until the earlier of the due date of each such advance, if any, and December 31, 2019 (the “Maturity Date”). The Interest Rate was comprised of 15% cash interest and 2.25% deferred interest. Per the agreement, the interest rate was retroactively increased to 19.25% because the Company did not consummate the sale of Denselight by October 15, 2019.

In 2019, the Company paid \$147,077 in costs related to the Bridge Loan. Additionally, the Company issued to Espresso Capital Ltd, warrants for the purchase of 3,289,500 common shares at a price of CAD\$0.35 per share. The Warrants expire on April 18, 2020. The fair value of the warrants was estimated on the date of issue using the Black-Scholes option pricing model with the following

assumptions: volatility of 78.91%, interest rate of 1.62% and an expected life of 1 year. The estimated fair value assigned to the warrants was \$221,620. The total cost of \$368,697 along with the foreign exchange impact of \$3,543 was deferred and charged against the Bridge Loan and subsequently amortized over the life of the Bridge Loan. The Bridge loan was repaid on November 8, 2019.

Additionally, on August 30, 2019, the Company signed a term promissory note (the “Promissory Note”) for up-to \$1,000,000 with Century Prosper Investment Corporation (the “Lender”). The Promissory Note bore interest at 15% per annum. The Promissory Note and accrued interest were repayable on the six-month anniversary of each advance. At the option of the Lender, the advances and accrued interest may be repaid in full five days after the sale of the Company’s DenseLight subsidiary. The Company was advanced \$900,000 in 2019 on this Promissory Note. The \$900,000 advance and related interest of \$17,160 were repaid on November 8, 2019.

**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in US Dollars)**

**13. SHARE CAPITAL**

- (a) AUTHORIZED  
 Unlimited number of common shares  
 One special voting share

- (b) COMMON SHARES ISSUED

	Number of Shares	Amount
Balance, January 1, 2018	260,018,853	\$ 103,616,221
Common shares issued on public offering	25,090,700	10,663,548
Share issue costs	-	(1,131,990)
Fair value of warrants issued on public offering	-	(2,286,426)
Fair value of compensation options issued to brokers	-	(479,204)
Funds from the exercise of stock options	372,250	87,974
Fair value of stock options exercised	-	82,330
Funds from the exercise of warrants and compensation warrants	2,600,500	1,028,471
Fair value of warrants and compensation warrants exercised	-	447,270
<b>Balance, December 31, 2018</b>	<b>288,082,303</b>	<b>112,028,194</b>
Funds from the exercise of stock options	281,250	60,028
Fair value of stock options exercised	-	55,950
<b>Balance, December 31, 2019</b>	<b>288,363,553</b>	<b>112,144,172</b>
Funds from the exercise of stock options	3,302,835	794,808
Fair value of stock options exercised	-	768,356
Funds from the exercise of warrants	744,000	293,642
Fair value of exercised warrants (Notes 12 and 13)	-	127,964
Issued on the conversion of convertible debentures (Note 12)	1,235,000	369,545
Fair value of warrants issued on conversion of convertible debentures	-	(146,858)
Exercise of warrants issued in conjunction with debt financing	942,448	221,620
Shares issued to settle accounts payable	30,268	13,011
<b>Balance, December 31, 2020</b>	<b>294,618,104</b>	<b>\$ 114,586,260</b>

On March 21, 2018, the Company completed a brokered “bought deal” public offering of 25,090,700 units at a price of \$0.425 (CAD\$0.55) per unit for gross proceeds of \$10,663,548 (CAD\$13,799,885). Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.58 (CAD\$0.75) per share until March 21, 2020. The broker was paid a cash commission of \$639,813 (6%) of the gross proceeds and received 1,505,442 compensation options. Each compensation option is exercisable into one compensation unit of the Company at a price of \$0.425 (CAD\$0.55) per compensation unit until March 21, 2020 with each compensation unit comprising one common share and one-half compensation share purchase warrant. Each whole compensation share purchase warrant entitles the broker to purchase one common share of the Company at a price of \$0.425 (CAD\$0.55) per share until March 21, 2020. The Company paid an additional \$492,177 in other costs related to this financing.

Certain management participated in the “bought-deal” public offering, by acquiring 281,000 units at a price of \$0.425 (CAD\$0.55) per unit for gross proceeds of \$119,425 (CAD\$154,550).

**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in US Dollars)**

**13. SHARE CAPITAL (Continued)**

The fair value of the share purchase warrants and compensation options was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%, risk-free interest rate of 1.86%, volatility of 94.77%, and estimated life of 2 years. The estimated fair values assigned to the warrants and compensation options were \$2,286,426 and \$479,204, respectively.

During 2020, holders of certain convertible debentures converted \$369,545 worth of convertible debentures into 1,235,000 units of the Company. Each unit consists of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at a price of \$0.38 (CAD\$0.50) per share for a period of four years from the date upon which the convertible debenture was issued.

The fair value of the share purchase warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: dividend yield of 0%, risk-free interest rate of 1.32%, volatility of 76.55%, and estimated life of 2 years. The estimated fair value assigned to the warrants was \$146,858.

During 2020, the Company engaged with a firm to assist with its shareholder communications strategy. The terms of the agreement require the Company to issue common shares at certain pre-determined dates in satisfaction of past services rendered. The Company settled \$13,011 in accounts payable related to past services rendered under this agreement by issuing 30,268 common shares at a price of \$0.43 (CAD\$0.56) per share to the firm.

**14. WARRANTS AND COMPENSATION OPTIONS**

The following table reflects the continuity of warrants and compensation options:

	Historical Average Exercise Price	Number of Warrants/ Compensation options	Historical Fair value
Balance, January 1, 2018	\$ 0.39	34,800,000	\$ 5,985,378
Fair value of warrants issued on public offering	0.58	12,545,350	2,286,426

Historical fair value assigned to warrants exercised	0.39	(2,600,500)	(447,270)
Fair value of compensation options issued to brokers	<u>0.43</u>	<u>1,505,442</u>	<u>479,204</u>
Balance, December 31, 2018	0.44	46,250,292	8,303,738
Fair value of warrants issued as cost of debt financing	<u>0.27</u>	<u>3,289,500</u>	<u>221,620</u>
Balance, December 31, 2019	0.43	49,539,792	8,525,358
Fair value of warrants issued on conversion of convertible debentures (Notes 12 and 13)	0.38	1,235,000	146,858
Fair value of expired compensation options issued to brokers	0.43	(1,505,442)	(479,204)
Fair value related to the exercise of warrants issued as cost of debt financing <sup>(1)</sup>	0.27	(3,289,500)	(221,620)
Fair value of expired warrants issued on public offering	0.58	(12,545,350)	(2,286,426)
Historical fair value assigned to warrants exercised	<u>0.39</u>	<u>(744,000)</u>	<u>(127,964)</u>
Balance, December 31, 2020	<u>\$ 0.39</u>	<u>32,690,500</u>	<u>\$ 5,557,002</u>

(1) These warrants had a cashless exercise feature. The warrant holder utilized the cashless exercise feature to exercise the warrants, which resulted in the Company issuing 942,448 common shares to the warrant holders.

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## POET TECHNOLOGIES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Expressed in US Dollars)

#### 15. STOCK OPTIONS AND CONTRIBUTED SURPLUS

##### Stock Options

On August 26, 2020, shareholders of the Company approved amendments to the Company's fixed 20% stock option plan (as amended, previously referred to as the "2018 plan", now referred to as the "2020 Plan"). Under the 2020 Plan, the board of directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and consultants. The 2020 Plan provides that the number of common shares issuable pursuant to options granted under the 2020 Plan and pursuant to other previously granted options is limited to 58,538,554 (the "Number Reserved"). Any subsequent increase in the Number Reserved must be approved by shareholders of the Company and cannot, at the time of the increase, exceed 20% of the number of issued and outstanding shares. The stock options vest in accordance with the policies determined by the Board of Directors from time to time consistent with the provisions of the 2020 Plan which grants discretion to the Board of Directors.

Stock option transactions and the number of stock options outstanding were as follows:

	Number of Options	Historical Weighted Average Exercise Price
Balance, January 1, 2018	33,090,291	\$ 0.68
Expired/cancelled	(1,944,791)	0.74
Exercised	(372,250)	0.26
Granted	<u>13,690,479</u>	<u>0.34</u>

Balance, December 31, 2018	44,463,729	0.58
Expired/cancelled <sup>(1)</sup>	(8,707,811)	0.90
Exercised	(281,250)	0.22
Granted	<u>17,785,670</u>	<u>0.27</u>
Balance, December 31, 2019	53,260,338	0.43
Expired/cancelled	(8,287,937)	1.02
Exercised	(3,302,835)	0.24
Granted	<u>9,474,926</u>	<u>0.36</u>
Balance, December 31, 2020	<u>51,144,492</u>	<u>\$ 0.33</u>

(1) 2,277,186 cancelled options related to staff employed at DenseLight

During the year ended December 31, 2020, the Company recorded stock-based compensation of \$3,612,945 (2019 - \$2,888,141, 2018 - \$3,602,879) relating to stock options that vested during the year. The stock-based compensation applicable to employees of DenseLight in the amount of nil (2019 - \$(75,608), 2018 - \$419,238) has been allocated to discontinued operations (see note 23).

The stock options granted were valued using the Black-Scholes option pricing model using the following assumptions:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Weighted average exercise price	\$ 0.36	\$ 0.27	\$ 0.34
Weighted average risk-free interest rate	0.52% - 1.52%	1.57%	2.17%
Weighted average dividend yield	0%	0%	0%
Weighted average volatility	94.77%	95.48%	103.47%
Weighted average estimated life	10 years	10 years	10 years
Weighted average share price	\$ 0.36	\$ 0.27	\$ 0.34
Share price on the various grant dates:	\$ 0.22 - \$0.39	\$ 0.24 - \$0.28	\$ 0.18 - \$0.40
Weighted average fair value	\$ 0.30	\$ 0.24	\$ 0.30

The underlying expected volatility was determined by reference to the Company's historical share price movements, its dividend policy and dividend yield and past experience relating to the expected life of granted stock options.

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## POET TECHNOLOGIES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Expressed in US Dollars)

#### 15. STOCK OPTIONS AND CONTRIBUTED SURPLUS (Continued)

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at December 31, 2020 are as follows:

<u>Options Outstanding</u>			<u>Options Exercisable</u>		
Exercise Range	Number Outstanding	Historical Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Number Exercisable	Historical Weighted Average Exercise Price

\$ 0.11 - \$0.20	496,750	\$ 0.18	6.72	496,750	\$ 0.18
\$ 0.21 - \$0.24	9,226,250	\$ 0.22	7.14	6,624,688	\$ 0.22
\$ 0.25 - \$0.29	10,270,238	\$ 0.26	8.37	4,201,176	\$ 0.26
\$ 0.30 - \$0.86	31,026,254	\$ 0.35	7.88	16,750,991	\$ 0.36
\$ 0.87 - \$1.64	125,000	\$ 0.92	0.92	125,000	\$ 0.92
	51,144,492	\$ 0.31	7.82	28,198,605	\$ 0.31

## 16. INCOME (LOSS) PER SHARE

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Numerator</b>			
Net loss from continuing operations	\$ (18,169,070)	\$ (11,434,632)	\$ (8,422,117)
Net income (loss) from discontinued operations	<u>\$ -</u>	<u>\$ 5,481,757</u>	<u>(7,900,662)</u>
Net loss	<u>\$ (18,169,070)</u>	<u>\$ (5,952,875)</u>	<u>\$ (16,322,779)</u>
<b>Denominator</b>			
Weighted average number of common shares outstanding	291,696,534	288,216,378	282,098,432
Weighted average number of common shares outstanding - diluted	<u>291,696,534</u>	<u>288,216,378</u>	<u>282,098,432</u>
Basic and diluted loss per share, continuing operations	\$ (0.06)	\$ (0.04)	\$ (0.03)
Basic and diluted income (loss) per share, discontinued operations	\$ -	\$ 0.02	\$ (0.03)
Basic and diluted loss per share	<u>\$ (0.06)</u>	<u>\$ (0.02)</u>	<u>\$ (0.06)</u>

The effect of common share purchase options, warrants, compensation warrants and shares to be issued on the net loss in 2020, 2019 and 2018 is not reflected as they are anti-dilutive.

## 17. COMMITMENTS AND CONTINGENCIES

The Company has operating leases on four facilities; head office located in Toronto, Canada, design and testing operations located in Allentown, Pennsylvania (formerly in San Jose, California) and operating facilities located in Singapore and China. The Company's design and testing operations terminated a lease on January 31, 2020. A new lease was initiated on April 1, 2020 and expires on March 31, 2025. The lease on the Company's operating facilities in Singapore was initiated on November 1, 2019 and expires April 30, 2022. The lease on the Company's operating facilities in China was initiated in November 19, 2020 and expires on November 18, 2023. As at December 31, 2020, the Company's head office was on a month to month lease term.

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## POET TECHNOLOGIES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Expressed in US Dollars)

## 17. COMMITMENTS AND CONTINGENCIES (Continued)

Remaining annual lease payments to the lease expiration dates are as follows:

2021	\$ 238,002
2022 and beyond	441,450
	<u>\$ 679,452</u>

## 18. RELATED PARTY TRANSACTIONS

Compensation to key management personnel were as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Salaries	\$ 1,501,058	\$ 1,251,277	\$ 1,216,250
Share-based payments <sup>(1)</sup>	<u>2,144,930</u>	<u>2,135,579</u>	<u>2,449,683</u>
Total	<u>\$ 3,645,988</u>	<u>\$ 3,386,856</u>	<u>\$ 3,665,933</u>

(1) Share-based payments are the fair value of options granted to key management personnel and expensed during the various years as calculated using the Black-Scholes model.

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amounts, which are the amounts of consideration established and agreed to by the related parties.

## 19. SEGMENT INFORMATION

The Company and its subsidiaries operate in a single segment; the design, manufacture and sale of semiconductor products and services for commercial applications. The Company's operating and reporting segment reflects the management reporting structure of the organization and the manner in which the chief operating decision maker regularly assesses information for decision making purposes, including the allocation of resources. A summary of the Company's operations is below:

### OPEL, ODIS, POET Shenzhen and PTS

OPEL, ODIS, POET Shenzhen and PTS are the developers of the POET platform semiconductor process IP for monolithic fabrication of integrated circuit devices containing both electronic and optical elements on a single die.

### BB Photonics

BB Photonics develops photonic integrated components for the datacom and telecom markets utilizing embedded dielectric technology that enables the low-cost integration of active and passive devices into photonic integrated circuits.

On a consolidated basis, the Company operates geographically in Singapore, China (collectively "Asia"), the United States and Canada. Geographical information is as follows:

	<u>2020</u>			
<u>As of December 31,</u>	<u>Asia</u>	<u>US</u>	<u>Canada</u>	<u>Consolidated</u>
Current assets	\$ 304,450	\$ 69,874	\$ 7,117,287	\$ 7,491,611
Property and equipment	2,982,496	203,258	-	3,185,754
Patents and licenses	-	438,677	-	438,677
Right of use asset	289,542	231,144	-	520,686
Total Assets	<u>\$ 3,576,488</u>	<u>\$ 942,953</u>	<u>\$ 7,117,287</u>	<u>\$ 11,636,728</u>

POET TECHNOLOGIES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in US Dollars)

19. SEGMENT INFORMATION (Continued)

Year Ended December 31,	Asia	US	Canada	Consolidated
Selling, marketing and administration	\$ 1,182,054	\$ 5,495,161	\$ 1,460,783	\$ 8,137,998
Research and development	3,269,873	1,447,729	1,916,715	6,634,317
Interest expense	20,181	24,474	893,248	937,903
Credit loss on receivable from the sale of discontinued operation	-	-	2,500,000	2,500,000
Other income, including interest	-	-	(41,148)	(41,148)
<b>Net loss</b>	<b>\$ (4,472,108)</b>	<b>\$ (6,967,364)</b>	<b>\$ (6,729,598)</b>	<b>\$ (18,169,070)</b>

	2019			
As of December 31,	Asia	US	Canada	Consolidated
Current assets	\$ 86,849	\$ 22,523	\$ 20,150,022	\$ 20,259,394
Property and equipment	3,055,906	87,154	-	3,143,060
Patents and licenses	-	452,384	-	452,384
Right of use asset	222,517	-	-	222,517
<b>Total Assets</b>	<b>\$ 3,365,272</b>	<b>\$ 562,061</b>	<b>\$ 20,150,022</b>	<b>\$ 24,077,355</b>

The Year Ended December 31,	Asia	US	Canada	Consolidated
Selling, marketing and administration	\$ 217,416	\$ 5,126,260	\$ 1,353,711	\$ 6,697,387
Research and development	218,900	107,161	1,757,754	2,083,815
Impairment of long lived assets	-	-	1,764,459	1,764,459
Interest expense	4,705	-	815,206	819,911
Amortization of debt issuance costs	-	-	372,340	372,340
Other income, including interest	-	-	(10,540)	(10,540)
Income tax recovery	-	(292,740)	-	(292,740)

Net loss from continuing operations	(441,021)	(4,940,681)	(6,052,930)	(11,434,632)
Income from discontinued operations, net of taxes	5,481,757	-	-	5,481,757
<b>Net income (loss)</b>	<b>\$ 5,040,736</b>	<b>\$ (4,940,681)</b>	<b>\$ (6,052,930)</b>	<b>\$ (5,952,875)</b>

	2018			
As of December 31,	Asia	US	Canada	Consolidated
Current assets	\$ 4,283,008	\$ 302,405	\$ 2,302,851	\$ 6,888,264
Property and equipment	9,136,694	162,819	-	9,299,513
Patents and licenses	18,464	448,250	-	466,714
Goodwill and intangible assets	6,718,953	1,764,459	-	8,483,412
<b>Total Assets</b>	<b>\$ 20,157,119</b>	<b>\$ 2,677,933</b>	<b>\$ 2,302,851</b>	<b>\$ 25,137,903</b>

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POET TECHNOLOGIES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in US Dollars)



19. **SEGMENT INFORMATION (Continued)**

Year Ended December 31,	Asia	US	Canada	Consolidated
Selling, marketing and administration	\$ -	\$ 5,169,619	\$ 1,004,256	\$ 6,173,875
Research and development	-	1,715,154	547,322	2,262,476
Other income, including interest	-	-	(14,234)	(14,234)
Net loss from continuing operations	-	(6,884,773)	(1,537,344)	(8,422,117)
Loss from discontinued operations, net of taxes	(7,900,662)	-	-	(7,900,662)
Net loss	<u>\$ (7,900,662)</u>	<u>\$ (6,884,773)</u>	<u>\$ (1,537,344)</u>	<u>\$ (16,322,779)</u>

20. **FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, receivable from the sale of discontinued operations, convertible debentures, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest risk arising from these financial instruments. The Company estimates that the fair value of these instruments approximates fair value due to their short term nature.

The Company has classified financial assets and (liabilities) as follows at December 31:

	2020	2019	2018
Fair value through profit or loss, measured at amortized cost:			
Cash and cash equivalents	\$ 6,872,894	\$ 1,428,129	\$ 2,567,868
Accounts receivable, measured at amortized cost:			
Accounts receivable	\$ -	\$ -	\$ 946,944
Receivable from the sale of discontinued operations	\$ -	\$ 18,000,000	\$ -
Other liabilities, measured at amortized cost:			
Accounts payable and accrued liabilities	\$ (1,730,361)	\$ (1,725,708)	\$ (3,040,422)
Convertible debentures	\$ (3,341,246)	\$ (3,089,033)	\$ -
Covid-19 government support loans	\$ (218,151)	\$ -	\$ -

**Credit Risk**

The Company is exposed to credit risk associated with its accounts receivable. The Company has accounts receivable from both governmental and non-governmental agencies. Credit risk is minimized substantially by ensuring the credit worthiness of the entities with which it carries on business. Credit terms are provided on a case by case basis. The Company has not experienced any significant instances of non-payment from its customers.

The Company's accounts receivable ageing at December 31 was as follows:

	2020	2019	2018
Current	\$ -	\$ -	\$ 892,343
31 - 60 days	-	-	34,331
61 - 90 days	-	-	60,885
> 90 days	-	-	-
Expected credit losses <sup>(1)</sup>	-	-	(40,615)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 946,944</u>

**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in US Dollars)**

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**20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)**

(1) The Company applies IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for trade receivables.

**Exchange Rate Risk**

The functional currency of each of the entities included in the accompanying consolidated financial statements is the local currency where the entity is domiciled. Functional currencies include the US, Singapore and Canadian dollar. Most transactions within the entities are conducted in functional currencies. As such, none of the entities included in the consolidated financial statements engage in hedging activities. The Company is exposed to a foreign currency risk with the Canadian and Singapore dollar. A 10% change in the Canadian and Singapore dollar would increase or decrease other comprehensive loss by \$229,088.

**Liquidity Risk**

The Company currently does not maintain credit facilities. The Company's existing cash and cash resources are considered sufficient to fund operating and investing activities beyond one year from the issuance of these consolidated financial statements. The Company may, however, need to seek additional financing in the future.

**21. CAPITAL MANAGEMENT**

In the management of capital, the Company includes shareholders' equity (excluding accumulated other comprehensive loss and deficit) and cash. The components of capital on December 31, 2020 were:

Cash and cash equivalents	\$	6,872,894
Shareholders' equity	\$	165,116,062

The Company's objective in managing capital is to ensure that financial flexibility is present to increase shareholder value through growth and responding to changes in economic and/or market conditions; to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business and to safeguard the Company's ability to obtain financing should the need arise.

In maintaining its capital, the Company has a strict investment policy which includes investing its surplus capital only in highly liquid, highly rated financial instruments.

The Company reviews its capital management approach on an ongoing basis.

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**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in US Dollars)**

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**22. EXPENSES**

Research and development costs can be analysed as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Wages and benefits	\$ 1,586,900	\$ 874,673	\$ 822,258
Subcontract fees	3,802,919	834,598	888,566
Stock-based compensation	567,859	237,311	395,468
Supplies	676,639	137,233	156,184
	<u>\$ 6,634,317</u>	<u>\$ 2,083,815</u>	<u>\$ 2,262,476</u>

Selling, marketing and administration costs can be analysed as follows:

Stock-based compensation	\$ 3,045,086	\$ 2,650,830	\$ 3,207,411
Wages and benefits	2,233,449	1,619,719	1,433,286
Professional fees	800,551	1,120,805	735,604
General expenses	1,188,712	813,951	392,901
Depreciation and amortization	813,103	243,674	153,244
Management and consulting fees	-	154,357	155,169
Rent and facility costs	57,097	94,051	96,260
	<u>\$ 8,137,998</u>	<u>\$ 6,697,387</u>	<u>\$ 6,173,875</u>

### 23. DISCONTINUED OPERATIONS

On November 8, 2019, the Company sold 100% of the issued and outstanding shares of DenseLight for \$26,000,000. The Buyer assumed control of DenseLight on November 8, 2019 and is responsible for all operations of DenseLight. Upon closing, the Company recognized a gain on the sale of \$8,707,280. The sale proceeds were to be paid over multiple tranches. The first tranche payment was received on November 8, 2019 in the amount of \$8,000,000. The second tranche payment was payment was made in two installments, with first paid on February 14, 2020 in the amount of \$4,750,000 and the second on March 30, 2020 in the amount of \$8,250,000.

The Company received payments of \$1,500,000 and \$1,000,000 on June 29, 2020 and July 3, 2020 respectively. After taking into consideration the length of time it had taken the Buyer to make the foregoing payments and the Company's expectations regarding the likelihood of receiving an additional payment, the Company determined that it was in its best interest to accept partial payments as final payment on the Company's receivable. As a result, the Company recognized a credit loss of \$2,500,000 during the year ended December 31, 2020 (nil - 2019 and nil - 2018).

The Company received an additional \$2,000,000, in excess of the sale proceeds which was immediately paid to Oak Capital on behalf of the Buyer for due diligence, legal and other expenses.

Revenue and expenses, and gains and losses relating to the discontinued operations were removed from the results of continuing operations and are shown as a single line item on the face of the consolidated statements of operations and deficit. The operating results of the discontinued operations can be analysed as follows:

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## POET TECHNOLOGIES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Expressed in US Dollars)

#### 23. DISCONTINUED OPERATION (Continued)

##### Results of discontinued operations

	For the Period From January 1 to November 8, 2019	For the year ended December 31, 2018
Revenue	\$ 4,426,355	\$ 3,888,185
Cost of revenue	<u>1,201,373</u>	<u>1,475,969</u>
Gross margin	<u>3,224,982</u>	<u>2,412,216</u>
<b>Operating expenses</b>		
Research and development	5,677,222	6,430,328
Selling, marketing and administration	1,950,526	5,515,329
Interest expense	74,494	-
Impairment loss	-	156,717
Other income	<u>(1,251,737)</u>	<u>(1,491,556)</u>
Operating expenses	<u>6,450,505</u>	<u>10,610,818</u>
Loss from discontinued operations	(3,225,523)	(8,198,602)
Gain on sale of discontinued operations, net of taxes	8,707,280	-
Income tax recovery	<u>-</u>	<u>(297,940)</u>
Net income (loss), net of taxes	<u>\$ 5,481,757</u>	<u>\$ (7,900,662)</u>

### Disaggregated Revenues

The Company disaggregates revenue by timing of revenue recognition, that is, at a point in time and revenue over time. Disaggregated revenue is as follows:

	For the Period From January 1 to November 8, 2019	For the Year Ended December 31, 2018
Non-contract revenue (at a point in time) <sup>(1)(3)</sup>	\$ 2,092,426	\$ 3,261,518
Contract revenue (revenue over time) <sup>(2)(3)</sup>	2,221,429	441,667
Contract revenue (at a point in time) <sup>(2)(3)</sup>	<u>112,500</u>	<u>185,000</u>
	<u>\$ 4,426,355</u>	<u>\$ 3,888,185</u>

(1) Revenue from the sale of products.

(2) Revenue from long-term projects or non-recurring engineering (NRE).

(3) All revenue was generated from the Singapore geographic region.

### Revenue Contract Balances

	<b>Contract</b>	
	<u>Receivables</u>	<u>Liabilities</u>
Balance, January 1, 2018	\$ 40,000	\$ -
Revenues recognized	626,667	(626,667)
Changes due to payment, fulfillment of performance obligations or other	<u>(606,667)</u>	<u>626,667</u>

**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in US Dollars)**

**23. DISCONTINUED OPERATION (Continued)**

	<u>Contract</u>	
	<u>Receivables</u>	<u>Liabilities</u>
Balance, December 31, 2018	60,000	-
Revenues recognized	2,333,929	(2,333,929)
Changes due to payment, fulfillment of performance obligations or other	<u>(1,293,929)</u>	<u>2,333,929</u>
Balance, November 8, 2019	<u>\$ 1,100,000</u>	<u>\$ -</u>

Research and development costs included in discontinued operations can be analysed as follows:

	For the Period From January 1 to November 8, <u>2019</u>	For the Year Ended December 31, <u>2018</u>
Wages and benefits	\$ 3,565,076	\$ 3,818,980
Supplies	1,412,572	2,070,495
Subcontract fees	728,457	400,000
Stock-based compensation	<u>(28,883)</u>	<u>140,853</u>
	<u>\$ 5,677,222</u>	<u>\$ 6,430,328</u>

Selling, marketing and administration costs included in discontinued operations can be analysed as follows:

Wages and benefits	\$ 887,860	\$ 1,034,715
Rent and facility costs	604,442	975,467
General expenses	458,465	785,635
Stock-based compensation	(46,725)	278,385
Professional fees	46,484	31,747
Depreciation and amortization	<u>-</u>	<u>2,409,380</u>
	<u>\$ 1,950,526</u>	<u>\$ 5,515,329</u>

**Cash flows from (used in) discontinued operations**

	<u>2019</u>	<u>2018</u>
<b>CASH (USED IN) PROVIDED BY:</b>		
<b>OPERATING ACTIVITIES</b>		
Net income (loss)	\$ 5,481,757	\$ (7,900,662)
Adjustments for:		
Depreciation of property and equipment	-	2,372,152
Gain on sale of discontinued operations	(8,707,280)	-
Amortization of intangibles	-	37,228
Interest expense	74,494	-
Impairment loss	-	156,717
Stock-based compensation	(75,608)	419,238
Income tax recovery	-	(297,940)

Deferred rent	(1,825)	(21,992)
Expected credit loss	-	40,615
	(3,228,462)	(5,194,644)

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**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(Expressed in US Dollars)**

**23. DISCONTINUED OPERATION (Continued)**

Net change in non-cash working capital accounts:		
Accounts receivable	584,902	(508,093)
Prepaid and other current assets	497,259	(949,401)
Inventory	(334,425)	78,733
Accounts payable and accrued liabilities	(470,378)	1,782,612
Cash flows provided by (used in) operating activities	(2,951,104)	(4,790,793)
INVESTING ACTIVITIES		
Proceeds from the sale of discontinued operations, net of cash given up <sup>(1)</sup>	7,519,126	-
Purchase of property and equipment (Note 7)	(1,599,272)	(3,467,992)
Purchase of patents and licenses (Note 8)	(11,231)	-
Cash flows from investing activities	5,908,623	(3,467,992)
FINANCING ACTIVITIES		
Payment of lease liability (Note 9)	(258,460)	-
Cash flows from financing activities	(258,460)	-
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(14,010)	26,490
NET CHANGE IN CASH	\$ 2,685,049	\$ (8,232,295)

**Effect of Disposal on the Financial Position of the Group**

Accounts receivable	\$ 396,037
Prepaid and other current assets	2,303,014
Inventory	774,404
Property and equipment	8,424,638
Right of use asset	880,577
Patents	29,696
Goodwill and customer list	6,718,953
Trade payables	(1,312,053)
Lease Liability	(695,733)
Deferred tax liability	(707,687)
Net assets disposed	\$ 16,811,846
<sup>(1)</sup> Consideration received in cash	\$ 8,000,000
<sup>(1)</sup> Cash given up	(480,874)
Consideration receivable	18,000,000

Net inflows	<u>\$ 25,519,126</u>
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**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in US Dollars)**

**24. GOODWILL AND DEFERRED TAX LIABILITY**

On May 11 and June 22, 2016 the Company acquired DenseLight and BB photonics for \$10,500,000 and \$1,550,000 respectively. The all stock purchases were accomplished with the issuance of 13,611,150 common shares and 1,996,090 common shares of the Company at a price of \$0.7714 and \$0.777 per share, respectively. The purchase price in both acquisitions exceeded the net assets acquired which resulted in the difference being accounted for as goodwill on the consolidated statements of financial position.

The continuity of goodwill is as follows:

	<u>DenseLight</u>	<u>BB Photonics</u>	<u>Total</u>
Balance January 1, 2018 and December 31, 2018	\$ 6,630,544	\$ 1,050,459	\$ 7,681,003
Impairment	-	(1,050,459)	(1,050,459)
Disposed on the sale of DenseLight	<u>(6,630,544)</u>	<u>-</u>	<u>(6,630,544)</u>
Balance, December 31, 2019 and 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Deferred tax liability was created on the date of purchase for both DenseLight and BB Photonics. The following is a continuity of deferred tax liability.

	<u>DenseLight</u>	<u>BB Photonics</u>	<u>Total</u>
Balance, January 1, 2018	\$ 1,005,627	\$ 292,740	\$ 1,298,367
Tax effect of amortization	<u>(297,940)</u>	<u>-</u>	<u>(297,940)</u>
Balance, December 31, 2018	707,687	292,740	1,000,427
Tax effect of Impairment	-	(292,740)	(292,740)
Disposed on the sale of DenseLight	<u>(707,687)</u>	<u>-</u>	<u>(707,687)</u>
Balance, December 31, 2019 and 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Included in the sale of DenseLight on November 8, 2019 was \$6,630,544 of goodwill and \$707,687 of deferred liability.

**25. INCOME TAXES**

The following table reconciles the expected income tax recovery at the Canadian statutory income tax rate of 26.5% for 2020 (2019 - 26.5%, 2018 - 26.5%) to the amounts recognized in operations.

For the Year Ended December 31,	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net loss, continuing operations	<u>\$ (18,169,070)</u>	<u>\$ (11,727,372)</u>	<u>\$ (8,422,117)</u>
Net income (loss), discontinued operations	<u>-</u>	<u>5,481,757</u>	<u>(8,198,602)</u>

Net loss before taxes	<b>\$ (18,169,070)</b>	\$ (6,245,615)	\$ (16,620,719)
Expected current income tax recovery	<b>4,814,804</b>	1,655,088	4,404,491
Deferred tax recovery <sup>(2)</sup>	<b>-</b>	292,740	297,940
	<b>4,814,804</b>	1,947,828	4,702,431

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**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(Expressed in US Dollars)**

**25. INCOME TAXES (Continued)**

For the Year Ended December 31,	<b>2020</b>	2019	2018
Adjustments to income tax recovery:			
Amounts not deductible for tax purposes	<b>\$ (957,400)</b>	\$ (1,212,900)	\$ (1,065,900)
Other non-deductible items	<b>(137,000)</b>	(173,000)	(509,900)
Other deductible items	<b>115,000</b>	216,000	77,000
Non-taxable gain	-	2,307,000	-
Foreign tax differential	<b>(221,000)</b>	591,000	(592,000)
Non-recognizable permanent capital loss	-	(1,175,000)	-
Unusable foreign tax recoveries <sup>(1)</sup>	-	(7,040,081)	-
Unrecognized tax recovered (losses)	<b>(3,614,404)</b>	4,831,893	(2,313,691)
Income tax recovery recognized <sup>(2)</sup>	<b>\$ -</b>	\$ 292,740	\$ 297,940

(1) Deferred tax assets applicable to DenseLight and no longer available to the Company.

(2) Deferred tax recovery and income tax recovery recognized for 2018 and 2017 are included Income (loss) from discontinued operations, net of taxes on the consolidated statements of operations and deficit.

The following table reflects future income tax assets at December 31:

	<b>2020</b>	2019	2018
Resource assets	<b>\$ 1,024,271</b>	\$ 1,024,271	\$ 1,024,271
Gross unamortized share issue costs	<b>325,600</b>	385,000	669,000
Canadian non-capital losses	<b>22,969,000</b>	16,545,000	12,431,000
Canadian capital losses	<b>4,432,532</b>	4,432,500	-
US non-capital losses	<b>78,829,000</b>	75,060,000	71,594,000
Singapore non-capital losses	<b>3,753,000</b>	378,000	46,894,000
	<b>111,333,403</b>	97,824,771	132,612,271
Unrecognized deferred tax assets	<b>(111,333,403)</b>	(97,824,771)	(132,612,271)
Deferred income tax assets recognized	<b>\$ -</b>	\$ -	\$ -

In accordance with Section 382 of the Internal Revenue Code, the usage of the Company's net operating loss carry forward related to the BB Photonics acquisition in 2016 of approximately \$928,000 could be subject to annual limitation since there was greater than 50% ownership change.

**26. COVID-19 GOVERNMENT SUPPORT LOANS**



In March 2020, the United States Congress passed the Paycheck Protection Program (“PPP”), authorizing loans to small businesses for use in paying employees that they continue to employ throughout the COVID-19 pandemic and for rent, utilities and interest on mortgages. Loans obtained through the PPP are eligible to be forgiven as long as the proceeds are used for qualifying purposes and certain other conditions are met. On May 3, 2020, the Company received a loan in the amount of \$186,747 through the PPP. Management expects that the entire loan will be used for payroll, utilities and interest; therefore, management anticipates that the loan will be substantially forgiven. To the extent it is not forgiven, the Company would be required to repay that portion at an interest rate of 1% over a period of two years, beginning July 2021 with a final installment in May 2022. The Company may prepay the PPP loan at any time prior to maturity with no penalty.

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**POET TECHNOLOGIES INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in US Dollars)**

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**26. COVID-19 GOVERNMENT SUPPORT LOANS (Continued)**

On April 9, 2020, the Canadian government launched the Canada Emergency Business Account (“CEBA”) which is intended to support businesses during COVID-19 by providing interest free financing of up to \$31,404 (CA\$40,000) until December 31, 2022. If 75% of the loan is repaid by December 31, 2022, the loan recipient will be eligible for a loan forgiveness of the remaining 25% of the amount loaned. On April 15, 2020, the Company received a loan in the amount of \$31,404 through the CEBA. If the loan has not been repaid by December 31, 2022, the outstanding amount will be automatically extended for an additional three years at 5% interest per annum payable monthly and maturing on December 31, 2025. The Company expects to repay 75% of the amount borrowed prior to December 31, 2022.

**27. FORMATION OF JOINT VENTURE**

On October 22, 2020, the Company signed a Joint Venture Agreement (“JVA”) with Sanan IC to manufacture cost-effective, high-performance optical engines based on POET’s proprietary CMOS compatible Optical Interposer platform technology. In conjunction with the signing of the JVA, Sanan IC and the Company formed a joint venture company, Super Photonics Xiamen Co., Ltd. (“JVC”). The JVC will assemble, test, package and sell optical engines, a primary component of optical transceivers that transmit data between switches and servers in data centers and between data centers and metro areas.

**28. SUBSEQUENT EVENTS**

On February 11, 2021, the Company completed a brokered private placement offering of 17,647,200 units at a price of \$0.67 (CAD\$0.85) per unit for gross proceeds of \$11,811,118 (CAD\$15,000,120). Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.90 (CAD\$1.15) per share until February 11, 2023. At any time after June 12, 2021, the Company reserves the right to accelerate the expiry of the warrants if the Company’s average stock price exceeds \$1.81 (CAD\$2.30) for a period of 10 consecutive trading days. The broker was paid a cash commission of \$708,667 (CAD\$900,007) equating to 6% of the gross proceeds and received 1,058,832 broker warrants. Each broker warrant is exercisable into one common share of the Company at a price of \$0.67 (CAD\$0.85) per broker warrant until February 11, 2023.

In addition to funds received from the brokered private placement, subsequent to December 31, 2020 the Company received \$8,441,240 (CAD\$10,714,953) from the exercise of stock options and warrants. The Company also improved its liquidity by \$1,709,526 (CAD\$2,170,000) through the conversion of convertible debentures into common shares of the Company.

**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Suresh Venkatesan, certify that:

1. I have reviewed this annual report on Form 20-F of POET Technologies Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 9, 2021

By: /s/ Suresh Venkatesan  
Suresh Venkatesan  
Chief Executive Officer

**CERTIFICATION PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Thomas Mika, certify that:

1. I have reviewed this annual report on Form 20-F of POET Technologies Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 9, 2021

By: /s/ Thomas Mika  
Thomas Mika  
Chief Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Suresh Venkatesan, the Chief Executive Officer of POET Technologies Inc. (the “Company”), hereby certify, that, to my knowledge:

1. The Annual Report on Form 20-F for the year ended December 31, 2020 (the “Report”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act of 2002 and is not intended to be used or relied upon for any other purpose.

Date: April 9, 2021

/s/ Suresh Venkatesan

Name: Suresh Venkatesan

Title: Chief Executive Officer



**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT**

We consent to the incorporation by reference in the Registration Statement of POET Technologies Inc. on Form F-10 (File No. 333-213422) of our report dated April 9, 2021, with respect to our audits of the consolidated financial statements of POET Technologies Inc. as of December 31, 2020, December 31, 2019 and December 31, 2018 and for the years ended December 31, 2020, December 31, 2019 and December 31, 2018, which report is included in this Annual Report on Form 20-F of POET Technologies Inc. for the year ended December 31, 2020.

*Marcum LLP*

New Haven, CT  
April 9, 2021



**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE  
SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Thomas Mika, the Chief Financial Officer of POET Technologies Inc. (the “Company”), hereby certify, that, to my knowledge:

1. The Annual Report on Form 20-F for the year ended December 31, 2020 (the “Report”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes- Oxley Act of 2002 and is not intended to be used or relied upon for any other purpose.

Date: April 9, 2021

/s/ Thomas Mika

Name: Thomas Mika

Title: Chief Financial Officer

**JOINT VENTURE CONTRACT**  
**for the establishment of**  
**Super Photonics Xiamen Co., Ltd.**

between

**Xiamen San'an Integrated Circuit Co., Ltd.**

and

**POET Technologies Inc.**

厦门超光集成有限公司合资合同

立约方：

厦门市三安集成电路有限公司

和

**POET Technologies Inc.**

**Date: 21 October 2020**

日期：2020年10月21日

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## JOINT VENTURE CONTRACT

### 合资合同

This Joint Venture Contract (the “**Contract**”) is made and entered into in Xiamen, the People’s Republic of China (excluding, for the purposes of the Contract, the Hong Kong Special Administrative Region, Macao Administrative Region and Taiwan, “**PRC**”) on the 21 October 2020, by and between the following parties:

本合资合同（“**本合同**”）系由以下双方于 2020 年 10 月 21 日在中华人民共和国（在本合同中不包括香港特别行政区、澳门特别行政区及台湾，简称“**中国**”）厦门订立：

- (1) Xiamen San'an Integrated Circuit Co., Ltd. (hereinafter referred to as “**SAIC**”), a PRC enterprise duly formed and validly existing in Xiamen, PRC, with its registered address of 304-26, South Building, Huoju Road, Huoju Yuan, Huoju High-tech District, Xiamen; and

厦门市三安集成电路有限公司（以下简称“**SAIC**”），一间在中国厦门市合法设立且有效存续的公司，其注册地址为厦门市火炬高新区火炬园火炬路南楼 304-36 号；及

- (2) POET Technologies Inc., a publicly listed Company duly formed and validly existing in Canada, with its registered address of 120 Eglinton Avenue East, Suite # 1107, Toronto, Ontario, Canada (hereinafter referred to as “**POET**”, and with SAIC, each a “**Party**” and collectively the “**Parties**”).

POET Technologies Inc., 一间在加拿大合法设立且有效存续的公司，其注册地址为加拿大安大略省多伦多市艾林顿东街 120 号 1107 室（以下简称“**POET**”，单独称作“一方”，与 SAIC 合称“**双方**”）。

### Recital:

#### 前言:

The Parties, after friendly consultations conducted in accordance with the principle of equality and mutual benefit, have agreed to jointly operate and own Super Photonics Xiamen Co., Ltd. in accordance with the *Company Law of the People's Republic of China* and other applicable laws and regulations of the PRC (hereinafter, collectively, the “**Applicable Law**”), this Contract, and its Schedules. The Parties agree as follows:

双方根据《中华人民共和国公司法》和其他适用的中国法律法规（以下统称“**适用法律**”）以及本合同及其附件，本着平等互利原则，通过友好协商，同意共同经营和拥有厦门超光集成有限公司。双方约定如下：

## ARTICLE 1– DEFINITIONS AND INTERPRETATION

### 第1条 - 定义和解释

#### 1.1 Definitions 定义

The following terms shall have the meanings set out below:

下列术语应具有如下含义：

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For the purpose of this definition, the term “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as used with respect to any Person, shall mean ownership of fifty percent (50%) or more of the registered capital, equity share, and/or assets or the power to appoint or elect the majority of the directors of a Company.

“**关联方**”是指直接或间接控制任何人、受任何人控制或者与任何人共同受控制的其他人。在本定义中，“控制”（包括含义相关的“控制”、“受控制”和“受共同控制”）是指任何人拥有一间公司的不低于百分之五十（50%）的注册资本、股权和/或资产或者多数董事任命权或选举权。

“**Agreed Capital Increase**” means the term as set forth in Article 6.5(a) hereof.

“**约定增资**”见本合同第 6.5(a)条中的规定。

“**Ancillary Agreements**” means all agreements to which the JV and either of the Party are parties and which are set out in SCHEDULES B – F, and SCHEDULE K hereto.

“**附属协议**”是指本合同附件 B 至附件 F 和附件 K 中列明的、由合资公司与任何一方订立的所有协议。

“**Applicable Law**” has the meaning given in the Recital to this Contract.

“**适用法律**”具有本合同前言部分赋予的含义。

“**Articles of Association**” means the Articles of Association of the Company to be executed by the Parties as of the date of this Contract, a copy of which is attached to this Contract as Schedule A.

“**公司章程**”是指双方在本合同签订之日后签署的公司章程，副本见本合同附件 A。

“**Board**” means the board of directors of the Company.

“**董事会**”是指公司的董事会。

“**Business**” means the term as set forth in Article 4.2 hereof.

“**业务**”见本合同第 4.2 条中的规定。

“**Business Licence**” means the business licence of the Company issued by the SAMR.

“营业执照”是指市监局颁发的公司营业执照。

“CEO” means the term as set forth in Article 10.1 hereof.

“首席执行官”见本合同第 10.1 条中的规定。

“CFO” means the term as set forth in Article 10.1 hereof.

“财务总监”见本合同第 10.1 条中的规定。

“China Territory” means the term as set forth in Article 5.2(b)(i) hereof.

“中国地区”见本合同第 5.2(b)(i)条中的规定。

“Company” means Super Photonics Xiamen Co., Ltd., which is established as a PRC incorporated company with SAIC and POET as its shareholders pursuant to this Contract and its Schedules.

“公司”是指厦门超光集成有限公司，一间由 SAIC 和 POET 以股东身份根据本合同及其附件设立的中国注册公司。

“Competing Business” means any business, enterprise or venture that is identical to or similar to the Business or that competes with the Business of the Company, which includes the production and sale of 100/200G optical engines worldwide and 400G optical engines within the Territory, but does not include the sale of Components or other devices except for the Components that are made by SAIC under license from POET for the Company.

“竞争业务”是指同公司业务相同、相似或相竞争的任何业务或企业，包括 100/200G 光学引擎在全球范围内的生产和销售以及 400G 光学引擎在地区内的生产和销售，但不包括元件或其他器件（SAIC 依据 POET 授予公司的许可所生产的元件除外）的销售。

"Components" means the term as set forth in Article 5.3(b) hereof.

“元件”见本合同第 5.3(b)条中的规定。

“Contract” has the meaning given in the preamble to this Contract.

“本合同”具有本合同前言部分赋予的含义。

"Deadlock" means the term as set forth in Article 9.1(g) hereof.

“僵局”见本合同第 9.1(g)条中的规定。

“Disclosing Party” shall have the meaning given to such term in Article 14.2(b) hereof.

“披露方”具有本合同第 14.2(b)条赋予的含义。

“Effective Date” means the effective date of this Contract, which shall be the date on which both Parties have signed this Contract.

“生效日期”是指本合同的生效日期，应是双方签署本合同的日期。

**“Eligible Accounting Firms”** means the term as set forth in Article 16.2(b)(ii) hereof.

“合格会计师事务所”见本合同 16.2(b)(ii)条中的规定。

**“Equity Interest”** means the term as set forth in Article 16.2(a) hereof.

“股权”见本合同 16.2(a)条中的规定。

**“Establishment Date”** means the term as set forth in Article 3.1 hereof.

“成立日”见本合同第 3.1 条中的规定

**“Fair Value”** means the term as set forth in Article 16.2(b)(i) and (ii) hereof.

“公允价值”见本合同第 16.2(b)(i)、(ii)条中的规定。

**“Filing Authorities”** mean SAMR and/or MOFCOM which are duly authorized by Applicable Law to review, register, approve or file, as the case may be, the Articles of Association and this Contract.

“备案机构”是指经适用法律授权审查、登记、核准或备案（视情况而定）公司章程和本合同的市监局和/或商务部。

**“Force Majeure”** has the meaning given in Article 19.1 hereof.

“不可抗力”具有本合同第 19.1 条赋予的含义。

**“Foreground IP”** means IP related to products developed by the Company, including modifications, derivatives, improvements and enhancements of POET Background IP. For the purpose of this Contract, Foreground IP includes, but is not limited to technologies, methods and embodiments for materials, processes, apparatus, process integration, and device integration, device designs (including Epitaxial layer design), mask works, assembly, packaging testing or any combination thereof, used for the research, development, commercialization or manufacturing of photonics devices.

“前景知识产权”是指与公司开发的产品相关的知识产权，包括对 POET 背景知识产权的修改、衍生、改进和优化。在本合同中，前景知识产权包括但不限于用于光子器件研发、商业化或生产的材料、工艺、仪器、工艺整合的技术、方法和实施例，以及器件集成、器件设计（包括外延层设计）、掩膜作品、汇编、封装测试，或者前述各项的组合。

**“Government Authority”** means, with respect to either Party, any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of any jurisdiction in which such Party conducts business or operations, or any province, state, county, city or other political subdivision thereof.

“政府部门”是指一方开展业务或经营活动所在的任何司法管辖区或其任何省、州、县、市或其他政治区划内的任何法院、法庭、仲裁机构、职权部门、服务部门、委员会、官方或其他部门。

**“Independent Expert”** means the term as set forth in Article 16.2(b)(ii) hereof.

“独立专家”见本合同第 16.2(b)(ii)条中的规定。

**“Intellectual Property” (“IP”)** means all intellectual and industrial property and proprietary rights, throughout the world, including (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and re-examinations thereof; (b) all trademarks, service marks, trade dress, logos, trade names, Internet domain names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith; (c) all copyrightable works, all copyrights, all works of authorship and moral rights, all computer software (including data, source code, and related documentation), databases and compilations; (d) all trade secrets, know-how and confidential Business information (including ideas, research and development, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and Business and marketing plans and proposals); (e) all copies and tangible embodiments thereof (in whatever form or medium) and all applications, registrations, and renewals in connection with any of the foregoing; and (f) derivative works made or developed in connection with the foregoing.

**“知识产权”**是指世界各地的所有知识产权、工业产权和专有权利，包括(a)所有发明（无论能否取得专利，无论是否付诸实现）及其所有改进，所有专利和专利披露以及所有相关补发、延续、部分延续、修改、延期和再审；(b)所有商标、服务标记、商业外观、标识、商号、互联网域名和企业名称以及所有相关翻译、改编、派生和组合，包括与之相关的所有商誉；(c)所有可取得著作权的作品、所有著作权、所有作者作品和著作人身权、所有计算机软件（包括数据、源代码及相关文档）、数据库和汇编；(d)所有商业秘密、技术秘密和保密业务信息（包括概念、研发、配方、成分、制造工艺和技术、技术数据、设计、图纸、规格、客户和供货商名单、定价和成本信息以及业务和营销计划和方案）；(e)所有相关的副本和有形实施例（无论何种形式或介质），以及前述任何一项的所有相关申请、注册和续展；以及(f)基于前述各项生产或开发的衍生作品。

**"IP Assets"** means the royalty-free license of the POET Background Assembly IP and the POET Background Device Design and Integration IP to be contributed by POET to the registered capital of the Company by operation of the POET Assembly Technology License Agreement and the POET Device Technology License Agreement respectively.

**“知识产权资产”**是指 POET 作为对公司注册资本的出资而依据 POET 组装技术许可协议和 POET 器件技术许可协议分别授予免使用费许可的 POET 背景组装知识产权以及 POET 背景器件设计和集成知识产权。

**"Key Employees"** are those employees of the Company on positions set forth in SCHEDULE L.

**“核心员工”**是指担任附件 L 所列职务的公司员工。

**“Leased Equipment”** means the equipment to be provided to the Company by SAIC through the SAIC Equipment Lease Agreement as set out therein.

**“租赁设备”**是指 SAIC 依据 SAIC 设备租赁协议中的规定提供给公司的设备。

**“Management Office”** means the Company’s Chief Executive Officer, Chief Financial Officer, and such other management personnel designated as such by the Board.

“**管理层**”是指公司的首席运营官、财务总监以及董事会任命的其他管理人员。

“**Milestones**” means the major tasks identified in 100G/200G CWMD 4 Development Plan and 400G FR4 Development Plan as set out in Schedule I.

“**重要事件**”是指附件 I 所列 100G/200G CWMD 4 开发计划和 400G FR4 开发计划中规定的主要任务。

“**Optical Engines**” means a device which includes an Optical Interposer incorporating selected available passive features and/or devices combined with selected active devices, such as lasers, modulators, photodetectors, etc., with features enabling the connection to other electronic devices and to optical fibers, fully built, packaged and tested to meet the required written specifications for each device and certified as operational when shipped.

“**光学引擎**”是指包括具有精选可用无源特性的光学中介层在内的器件，以及/或者与精选有源器件相结合的器件，例如激光器、调制器、光电探测器等，支持连接其他电子器件和光纤，全面嵌入、封装和测试，符合每个器件的书面规格要求，并且装运前通过可操作认证。

“**Optical Interposers**” means a device designed and manufactured exclusively by POET that includes certain features such as waveguides, multiplexers, demultiplexers, spot size converters, micro-mirrors, fiducial marks, pedestals, metal interconnects, solder pads, facets and others that enable the accurate placement, passive integration and control of active devices and which has been engineered in a way that allows the fabrication, assembly, testing, sealing, capping and singulation of the device to be performed at wafer-level.

“**光学中介层**”是指由 POET 独家设计和生产的器件，具有波导、多路转换、信号分离、模斑转换、微镜粒、框标、基座、金属互连、焊料隆起焊盘、刻面以及其他支持有源器件精确贴装、无源集成和控制的特性，其设计允许制作、组装、测试、密封、盖帽和切割晶圆器件。

“**Option**” means the term as set forth in Article 16.2 (a) hereof.

“**选择权**”见本合同第 16.2 (a) 条中的规定。

“**Parties**” has the meaning given in the preamble of this Contract.

“**双方**”具有本合同前言部分赋予的含义。

“**Person**” means a natural person, firm, corporation, partnership, association, limited liability Company, union, trust or estate or any other entity or organization whether or not having separate legal existence, including any Government Authority.

“**人**”是指自然人、商行、法人、合伙企业、社团、有限责任公司、工会、信托或遗产管理人或者任何其他实体或组织，无论是否依法独立存在，包括政府部门。

“**POET**” has the meaning given in the preamble of this Contract.

“**POET**”具有本合同前言部分赋予的含义。

“**POET Background Device Design and Integration IP**”: means IP embodied in the schematics, documentation and processes relating to device design and integration



of devices on the POET Optical Interposer, including but not limited to epi design, process and device architecture, masks, flip chip and coplanar contact formation, side-entry PD designs for high performance, self-aligned mechanical and optical alignment features in die for high placement accuracy.

**“POET 背景器件设计和集成知识产权”**是指 POET 光学中介层上器件设计和集成示意图、文档和工艺的相关知识产权，包括但不限于 epi 设计、工艺和器件结构、掩膜、倒装芯片和共面接触成型、高性能侧进 PD 设计、高贴装精度模具自对准机械和光学对准特性。

**“POET Background Assembly IP”**: means IP embodied in the schematics, documentation, design and processes relating to the assembly of Optical Engines based on the POET Optical Interposer, including pick-and-place assembly of components, hermetic sealing, laser burn-in singulation, testing and yield management of Optical Engines, at device and wafer-level.

**“POET 背景组装知识产权”**是指 POET 光学中介层上光学引擎组装示意图、文档、设计和工艺的相关知识产权，包括器件和晶圆级别的元件上下料组装、气密密封、激光老化切割、光学引擎测试和良率管理。

**“POET Background IP”** means POET Background Assembly IP and POET Background Device Design and Integration IP.

**“POET 背景知识产权”**是指 POET 背景组装知识产权和 POET 背景器件设计和集成知识产权。

**“POET Background Optical Interposer IP”**: means IP relating to the base design, manufacturing process and assembly of the POET Optical Interposer.

**“POET 背景光学中介层知识产权”**是指 POET 光学中介层底座设计、生产工艺和组装的相关知识产权。

**"POET Assembly Technology License Agreement"** means the technology license agreement between POET and the Company substantially in the form set out in SCHEDULE B.

**“POET 组装技术许可协议”**是指 POET 与公司之间的技术许可协议，基本格式见附件 B。

**"POET Device Technology License Agreement"** means the technology license agreement between POET and the Company substantially in the form set out in SCHEDULE C.

**“POET 器件技术许可协议”**是指 POET 与公司之间的技术许可协议，基本格式见附件 C。

**"POET Trademark and Name License Agreement"** means the trademark and name license agreement between POET and the Company substantially in the form set out in SCHEDULE E.

**“POET 商标和名称许可协议”**是指 POET 与公司之间的商标和名称许可协议，基本格式见附件 E。

“**PRC**” has the meaning given in the preamble of this Contract.

“**中国**”具有本合同前言部分赋予的含义。

“**Pre-Conditions**” means the term as set forth in Article 6.5 (a) hereof.

“**先决条件**”见本合同第 6.5(a)条中的规定。

“**Registered Capital**” means the registered capital of the Company, as amended from time to time.

“**注册资本**”是指不时调整的公司注册资本。

“**Renminbi**” or “**RMB**” means the lawful currency of the PRC.

“**人民币**”是指中国的法定货币。

“**Reserved Customers**” means the term as set forth in Article 5.2 (b)(ii).

“**保留客户**”见本合同第 5.2(b)(ii)条中的规定。

“**SAIC**” has the meaning given in the preamble of this Contract.

“**SAIC**”具有本合同前言部分赋予的含义。

“**SAIC Equipment Lease Agreement**” means the equipment lease agreement between SAIC and the Company substantially in the form set out in SCHEDULE K.

“**SAIC 设备租赁协议**”是指 SAIC 与公司之间的设备租赁协议，基本格式见附件 K。

“**SAIC Facility Lease Agreement**” means the facility lease agreement to be entered into between SAIC and the Company.

“**SAIC 设施租赁协议**”是指 SAIC 与公司订立的设施租赁协议。

“**SAIC Trademark and Name License Agreement**” means the trademark and name license agreement between SAIC and the Company substantially in the form set out in SCHEDULE F.

“**SAIC 商标和名称许可协议**”是指 SAIC 与公司之间的商标和名称许可协议，基本格式见附件 F。

“**SAMR**” means the State Administration for Market Regulation of the PRC and/or a local branch thereof, as appropriate to the context, which is the Company registration authority in China.

“**市监局**”是指作为中国境内公司注册主管部门的中国国家市场监督管理总局和/或其地方分局（视情况而定）。

“**Selling Party**” means the term as set forth in Article 16.2(c) hereof.

“**卖方**”见本合同第 16.2(c)条中的规定。

“**Shareholders**” mean the shareholders of the Company at any given time exercising their rights through the shareholders' meeting of the Company, or otherwise.

“**股东**”是指在任何特定时间通过公司股东会或其他形式行使权利的公司股东。

“**Term**” means the term of this Contract as set forth in Article 15.1 hereof, as extended pursuant to Article 15.2 hereof.

“**期间**”是指本合同第 15.1 条中规定的本合同期间，可根据本合同第 15.2 条延长。

“**Third Party**” means any entity or person other than the Parties or their Affiliates.

“**第三方**”是指除双方或其关联方以外的任何实体或人。

“**Transaction Terms**” shall have the meaning given to such term in Article 14.2 hereof.

“**交易条款**”具有本合同第 14.2 条赋予的含义。

“**USD**” means the lawful currency of the United States of America.

“**美元**”是指美利坚合众国的法定货币。

## 1.2 Interpretation 解释

- (a) Headings are inserted for the purposes of reference only and shall not affect or restrict the meaning or interpretation of terms of this Contract;

标题仅供参考，不影响或限制本合同条款的含义或解释。

- (b) The terms expressed in this Contract refer to the provisions contained herein, unless inconsistent with the subject matter they describe or the context herein.

本合同条款是指本合同中包含的规定，除非与本合同条款所述标的或本合同上下文不符。

- (c) Any period as set forth herein is calculated based on the calendar year, month, day and hour. Whenever the last day of the period is Sunday or another mandatory public holiday, the day immediately following the holiday is the last day of the period. The last day of the period ends at midnight (twenty-four (24) o'clock) of that day.

本合同中列明的任何期间按照公历年、月、日和小时计算。若该期间最后一日是周日或其他法定公众节假日，将节假日后的第一日视为期间最后一日。期间最后一日于当日午夜（二十四（24）小时制）结束。

- (d) Qualifications for numbers such as “above”, “within” and “expires”, shall be inclusive; qualifications for numbers such as “after/upon”, “less than” and “except for” shall not be inclusive.

对数字的“以上”、“以内”和“届满”等界定应包含本数；对数字的“后/起”、“少于”和“除外”等界定不应包含本数。

## ARTICLE 2 – PARTIES TO THE CONTRACT

### 第2条 – 合同双方

#### 2.1 The Parties 双方

The Parties to this Contract are:

本合同的双方是:

**SAIC:** Xiamen San'an Integrated Circuit Co., Ltd., an enterprise with limited liability duly formed and validly existing under the laws of the PRC which is owned by San'an Photoelectric Company Limited by Shares (三安光电股份有限公司), a limited liability Company duly formed and validly existing under the laws of China.

厦门市三安集成电路有限公司，是根据中国法律合法设立且有效存续的有限责任公司，股东是三安光电股份有限公司，一间根据中国法律合法设立且有效存续的有限责任公司。

**Legal Representative:** LIN Kechuang (林科闯)

法定代表人：林科闯

**Position:** Chairman of board

职务：董事长

**Nationality:** Chinese

国籍：中国

**POET:** POET Technologies Inc., a publicly listed Company duly formed and validly existing in Canada.

POET Technologies Inc.，是在加拿大合法设立且有效存续的上市公司。

**Legal Representative:** Vivek Rajgarhia

法定代表人：Vivek Rajgarhia

**Position:** President & General Manager

职务：总裁兼总经理

**Nationality:** American

国籍：美国

#### 2.2 Representations, Warranties and Undertakings 陈述、保证和承诺

Each Party hereby represents, warrants and undertakes to the other Party that:

每一方在此向另一方作出如下陈述、保证和承诺：

- (i) as of the Effective Date, it has all requisite power, authority and approval required to enter into this Contract and all requisite abilities, authority and approval to perform fully each of its obligations hereunder;

在生效日，该方拥有订立本合同所需的所有必要权力、授权和批准以及全面履行其在本合同项下各项义务的所有必要能力、授权和批准；

- (ii) as of the Effective Date, it is fully authorised to sign this Contract;

在生效日，该方拥有签署本合同的充分授权；

- (iii) as of the Effective Date, the provisions of this Contract shall constitute its legal and binding obligation;

在生效日，本合同的规定应构成对该方有约束力的法律义务；

- (iv) as of the Effective Date, neither the execution of this Contract, nor the performance of its obligations hereunder, will conflict with, or result in a breach of or constitute a default under, any law, rule, regulation, authorisation or approval of any government agency or body, or of any contract or agreement to which it is a party or is subject;

在生效日，签署本合同以及履行该方在本合同项下义务均不与任何政府机构或机关的任何法律、规章、条例、授权或批准相抵触，不违反该等法律、规章、条例、授权或批准，不构成该等法律、规章、条例、授权或批准项下的违约，亦不违反该方作为立约方或标的的任何合同或协议；

- (v) as of the Effective Date, there is no lawsuit, arbitration, or legal, administrative or other proceedings or governmental investigation, pending or, to its knowledge, threatened against it with respect to the subject matter of this Contract or that would affect in any way its ability to enter into or perform this Contract; and

在生效日，没有针对该方的、涉及本合同标的或者可能影响该方订立或履行本合同之能力的未决或（就该方所知）潜在诉讼、仲裁或者法律、行政或其他程序或政府调查；

- (vi) as of the Effective Date, it has sufficient funds and other financial assets to meet its obligation under this Contract without impairing its ability to continue in business as a going concern.

在生效日，该方有充足的资金和其他金融资产用于履行该方在本合同项下的义务，不影响该方作为经营主体持续经营的能力；以及

- (vii) A Party shall indemnify, defend and hold the other Party harmless from and against any damages, deficiencies, losses, costs, liabilities and expenses (including but not limited to legal fees) resulting directly or indirectly from or arising out of any breach of any of the representations, warranties, covenants and agreements made by it in this Contract for a period of twelve (12) months from the Effective Date.

自生效日期起 12 个月内，一方违反其在本合同中所作的任何陈述、保证、约定和协议而直接或间接引起任何损害赔偿、缺陷、损失、费用、责任和开支（包括但不限于法律费用）的，该方应赔偿另一方、为另一方进行抗辩并使另一方免受损害。

## ARTICLE 3 – PARTICULARS OF THE COMPANY

### 第3条 – 公司资料

#### 3.1 Establishment of the Company 公司成立

The Parties agree to establish and operate the Company following the Effective Date in accordance with Applicable Law and this Contract including its Schedules. The Company shall be established on the date when the SAMR issues the Business License substantially reflecting the terms of this Contract and its Schedules (the “**Establishment Date**”).

双方约定依据适用法律和本合同及其附件在生效日期后成立并运营公司。公司应于市监局颁发基本体现本合同及其附件条款的营业执照之日成立（“**成立日**”）。

#### 3.2 Name and Address of the Company and Branches 公司名称、地址和分支机构

- (a) The name of the Company shall be Super Photonics Xiamen Co., Ltd. in English and 厦门超光集成有限公司 in Chinese.

公司的英文名称应是 Super Photonics Xiamen Co., Ltd.，中文名称应是厦门超光集成有限公司。

- (b) Each Party may request the other Party and the Company to change the Company's name to no longer include any part of the name of the Company which is such Parties' identifier under the circumstances below:

有以下情形的，一方可请求另一方和公司变更公司名称，将该方标识从公司名称中移除：

- (i) if the shareholding of that Party is reduced from the current shareholding ratio other than through any of the Agreed Capital Increases;

若该方持有的股份低于当前持股比例，但约定增资除外；

- (ii) if the shareholding of the other Party is reduced from the current shareholding ratio other than through any of the Agreed Capital Increases;

若另一方持有的股份低于当前持股比例，但约定增资除外；

- (iii) such Party has a termination right under Article 16, whether or not exercised;

该方享有第 16 条规定的终止权，无论是否行使；

(iv) in case of violation of this Clause 3.2 by the other Party; or

若另一方违反第 3.2 条的规定；或者

(v) under other circumstances set out in the respective Trademark and Name License Agreement that Party is a party to.

该方签订的商标和名称许可协议中规定的其他情形。

Neither Party nor the Company shall at any time be entitled to use the name or any parts of the name of the other Party unless such Party has given its prior written consent to such use.

在任何时候，任何一方或公司均无权使用另一方的名称或其任何部分，除非事先取得另一方的书面同意。

(c) The legal address of the Company shall be 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, China.

公司的法定地址应是中国厦门市同安区洪塘镇民安大道 799 号 6 楼。

(d) In accordance with its business needs, the Company may establish branch offices, subsidiaries and representative offices inside and outside of the PRC subject to the unanimous resolution of the Shareholders and the completion of all approval, filing and/or registration procedures with the relevant governmental authorities as required under the Applicable Law.

公司可根据业务需要，经股东一致决议，在向有关政府部门办理适用法律规定的所有核准、备案和/或登记手续后，在中国境内外设立分公司、子公司和代表机构。

### **3.3 Limited Liability Company 有限责任公司**

The form of organisation of the Company shall be a limited liability Company. The Company shall act in its own name and in no case as an agent of either Party. The Company shall refrain from pledging any Party's credit and/or reputation. It shall be independent from the Parties and not be burdened by any obligation or liabilities of a Party. Neither Party shall impose any obligation on the Company or bind the Company otherwise towards Third Parties. Neither Party shall have any liability towards the other Party, the Company or any Third Party for any losses by or any claims against the Company.

公司的组织形式应是有限责任公司。公司应以自己的名义行事，在任何情况下都不是任何一方的代理。公司不得以任何一方的信用和/或名誉做担保，应独立于双方，不应承担一方的义务或责任。任何一方不得使公司承担任何义务或以其他方式使公司受第三方的约束。任何一方不应就公司遭受的任何损失或索赔而对另一方、公司或任何第三方承担责任。

### **3.4 Laws and Decrees 法律法规**

The Company shall be a legal person under the Applicable Law. The activities of the Company shall be governed and protected by the Applicable Law.

公司应是适用法律规定的法人，公司的行为应受到适用法律的管辖和保护。

## ARTICLE 4– PURPOSE AND SCOPE

### 第4条 – 宗旨和经营范围

#### 4.1 Purpose 宗旨

The Parties agree that the intention, purpose and objective of the Company are to promote the success of the Company and achieve good economic results, not as a mere revenue/profit stream for each Party's components.

双方约定，公司的目的、宗旨和目标是促使公司成功，取得良好经济效益，不仅仅是为了一方的元件收入/利润来源。

#### 4.2 Scope of Business 经营范围

The business scope of the Company shall be: manufacture of integrated circuits, manufacture of electronic components, design and services of integrated circuit chips, manufacture of integrated circuit chips and products, manufacture of Optical Engines, Photonic Devices, Photonic Integrated Circuits, Optoelectronic Products, Optical Modules, sale of integrated circuits (the “**Business**”).

公司的经营范围应是：集成电路制造，电子元器件制造，集成电路芯片设计及服务，集成电路芯片及产品制造，光学引擎、光子器件、光子集成电路、光电产品、光学模块的制造，集成电路销售（“**业务**”）。

The Parties agree that the business scope of the Company may be described in more general and broader terms on the Business License by reference to the standard terms and phrases required in the relevant regulations and policies enforced by the Filing Authorities.

双方约定，营业执照上注明的公司经营范围更笼统和宽泛，参照备案部门推行的相关条例和政策中的标准专用词语。

## ARTICLE 5– BUSINESS OPERATIONS

### 第5条 – 业务经营

#### 5.1 Manufacturing 生产

(a) The Company shall in accordance with the provisions of the Contract the POET Assembly Technology License Agreement adhering to applicable standards and regulatory requirements, compliance certification and related quality requirements, assemble 100G/200G Optical Engines and 400G Optical Engines based on POET's Optical Interposer solely and, subject to Article 5.2, strictly for sales by the Company in accordance with the rights granted under Article 5.2 below.



公司应依据本合同和 POET 组装技术许可协议的规定，按照适用的标准和监管要求、合格认证和相关质量要求，仅基于 POET 光学中介层组装 100G/200G 光学引擎和 400G 光学引擎，在依循第 5.2 条的前提下，仅限公司依据下文第 5.2 条赋予的权利进行销售。

- (b) SAIC shall provide to the Company on market standard commercial terms suitable premises, including land use rights and buildings, for the Company's manufacturing and other operations. The respective lease agreement will be signed by SAIC and both Parties on behalf of the Company prior to its incorporation and transferred to the Company thereafter. Any amendment to the lease agreement, including its termination, is subject to a unanimous resolution of the Board.

SAIC 应依据市场标准商业条款提供适当场所（包括土地使用权和建筑物）给公司从事生产及其他业务运营。相关租赁协议应由 SAIC 与代表公司的双方在公司设立前签订，待公司设立后再转让给公司。租赁协议的任何修订（包括租赁协议终止）须经董事会一致决议通过。

## 5.2 Sales and Marketing 销售和营销

- (a) The Company shall in accordance with the provisions of the Contract and the Technology License Agreements

公司应依据本合同和技术许可协议的规定

- (b) sell 100G/200G Optical Engines anywhere in the world

在世界任何地方销售 100G/200G 光学引擎

- (i) sell 400G Optical Engines in the PRC, Taiwan, Macao and Hong Kong (the "**China Territory**"); and

在中国、台湾、澳门和香港（“**中国地区**”）销售 400G 光学引擎；

- (ii) sell 400G Optical Engines outside of the China Territory, but limited only to specific named customers and/or distributors that are approved in writing in advance by POET, which approval shall not be unreasonably withheld or delayed; the initial list of such customers (the "**Reserved Customers**") being attached hereto as SCHEDULE N.

在中国地区以外销售 400G 光学引擎，但仅限 POET 事先书面批准的指定客户和/或经销商，POET 不应无理拒绝或拖延给予该批准；前述客户（“**保留客户**”）的首批名单见附件 N。

- (c) POET may sell 400G Optical Engines outside of the China Territory. For such sales, POET shall exclusively procure the 400G Optical Engines from the Company at an agreed price. In case a customer for 400G Optical Engines located outside of the China Territory rejects procurement of 400G Optical Engines manufactured in the PRC the Parties shall discuss in good faith the most suitable solution for supplying such customer, including the incorporation of a manufacturing subsidiary of the Company outside of the PRC, supply by POET or a third party manufacturer.

POET 可在中国地区以外销售 400G 光学引擎。为此，POET 应按照约定价格仅向公司采购 400G 光学引擎。若中国地区以外的 400G 光学引擎客户拒绝购买在中国境内生产的 400G 光学引擎，双方应诚意协商为该客户供货的最恰当解决方案，包括在中国境外设立公司的生产子公司、由 POET 或第三方制造商供货。

- (d) The Parties shall support the Company to build sales channels for Company to target and future customers pursuant to SCHEDULE H.

双方应支持公司按照附件 H 建立面向目标客户和未来客户的销售渠道。

### 5.3 Supply 供货

- (a) For the term of this Contract, the Company shall procure exclusively from POET, and POET shall supply to the Company, Optical Interposers designed for 100G/200G Optical Engines and for 400G Optical Engines. In the event that POET is unable to provide Optical Interposers to the Company, the Board shall decide unanimously to source Optical Interposers from a third-party supplier. Both Parties shall ensure that approval of sourcing from a third-party supplier by each director appointed by such Party is not unreasonably withheld or delayed. Relevant reasons to withhold approval may include unreasonable additional cost or substantial breach of commitments to Company's customers caused by the procurement from such third-party supplier. The final selection of the third-party supplier shall be made by POET. Upon Board approval, POET shall license and qualify the third-party supplier of Optical Interposers for Optical Engines to the Company.

在本合同期间，公司应仅向 POET 采购且 POET 应向公司供应专为 100G/200G 光学引擎和 400G 光学引擎设计的光学中介层。若 POET 不能向公司供应光学中介层，董事会应一致决定向第三方供货商采购光学中介层。每一方应确保其任命的各名董事批准向第三方供货商采购，该批准不应无理拒绝或拖延。拒绝批准的理由可包括向所涉第三方供货商采购将额外增加不合理费用或者实质违反公司客户的承诺。第三方供货商应由 POET 最终决定。经董事会批准，POET 应向公司许可并限定用于光学引擎的光学中介层的第三方供货商。

- (b) For the term of this Contract, the Company shall procure from SAIC as the Company's preferred supplier Lasers, PDs and MPDs (each one "**Component**") on an agreed price, provided that (i) SAIC maintains adequate supply streams of the respective Component for the Company, and (ii) the Company's customers do not require that the Company source the respective Component from other sources. Any sourcing of a Component, other than from SAIC, shall be subject to unanimous approval by the Board. Both Parties shall ensure that such approval of such sourcing other than from SAIC by each director appointed by such Party is not unreasonably withheld or delayed.

在本合同期间，公司应按约定价格向公司首选供货商 SAIC 采购激光器、PD 和 MPD（单独称作“**元件**”），但是(i) SAIC 须保证公司的相关元件充足供货量，并且(ii)公司客户不要求公司从其他来源采购相关元件。向 SAIC 以外的其他来源采购元件须经董事会一致批准。每一方应确保其任命的各名董事批准上述非 SAIC 来源采购，该批准不得无理拒绝或拖延。

## 5.4 Technological Collaboration 技术合作

### (a) POET shall grant to the Company

POET 应向公司授予

- (i) a royalty-free, perpetual, irrevocable, sole and exclusive license to use the POET Background Assembly IP in relation to CWDM4 configuration 100G/200G Optical Engines that utilize POET's Optical Interposer for the use for data communication and telecommunication applications, with 'sole and exclusive' meaning that POET will not grant such license to any third party, nor will it undertake to manufacture and/or sell 100G/200G Optical Engines utilizing the Optical Interposer on its own to compete with the Company for data communication and telecommunication applications; and

免使用费的、永久的、不可撤销的、排他且独占的许可，允许使用为数据通信和电信应用目的而采用 POET 光学中介层的 CWDM4 配置 100G/200G 光学引擎的相关 POET 背景组装知识产权，其中“排他且独占”是指 POET 不应将该许可授予任何第三方，亦不应自己生产和/或销售采用光学中介层的 100G/200G 光学引擎，用于数据通信和电信应用，与公司竞争；

- (ii) a royalty-free, perpetual, irrevocable, sole and exclusive license to use the POET Background Assembly IP in relation to DR4/FR4 configuration 400G Optical Engines that utilize POET's Optical Interposer for the use for data communication and telecommunication applications, with 'sole and exclusive' meaning that POET will not grant such license to any third party for the manufacture 400G Optical Engines utilizing the Optical Interposer; nor will it undertake to manufacture and/or sell 400G Optical Engines utilizing the Optical Interposer on its own to compete with the Company for data communication and telecommunication applications; and

免使用费的、永久的、不可撤销的、排他且独占的许可，允许使用为数据通信和电信应用目的而采用 POET 光学中介层的 DR4/FR4 配置 400G 光学引擎的相关 POET 背景组装知识产权，其中“排他且独占”是指 POET 不应将该许可授予任何第三方生产采用光学中介层的 400G 光学引擎，亦不应自己生产和/或销售采用光学中介层的 400G 光学引擎，用于数据通信和电信应用，与公司竞争；

- (iii) a royalty-free, perpetual, irrevocable, sole and exclusive license to use the POET Background Assembly IP in relation to 400G DR4/FR4 configuration Optical Engines that utilize POET's Optical Interposer for the use for data communication and telecommunication applications to a subsidiary of the Company or to a Contract Manufacturer set up for the purpose of manufacturing Optical Engines for sale to a company outside the Territory which will not accept Optical Engines that are assembled in the Territory.

免使用费的、永久的、不可撤销的、排他且独占的许可，允许使用为数据通信和电信应用目的而采用 POET 光学中介层的相关 POET 背景组装知识产权，该等 400G DR4/FR4 配置光学引擎供应给为不接受在地区内

组装之光学引擎的地区外客户生产并销售光学引擎所设立的公司子公司或合同制造商。

by entering into the POET Assembly Technology License Agreement with the Company. The grant of the above licenses (i),(ii) and (iii) shall form part of the IP Assets to be contributed by POET to the registered capital of the Company. The POET Assembly Technology License Agreement shall be expanded to other configurations of the 100G/200G and 400G Optical Engines upon request by the Company, subject to agreement among the Parties on the timing and cost of providing the related designs.

并为此与公司订立 POET 组装技术许可协议。授予上述(i)、(ii)和(iii)项许可应作为 POET 对公司注册资本出资的知识产权资产。应公司请求，POET 组装技术许可协议应扩大适用其他配置的 100G/200G 和 400G 光学引擎，但须双方就提供相关设计的时间和费用达成一致。

- (b) POET shall grant to the Company a royalty-free, perpetual, irrevocable and exclusive license to sublicense to SAIC the right to use the POET Background Device Design and Integration IP solely for the purpose of manufacturing Components to be supplied to the Company according to Article 5.3(b) by entering into the POET Device Technology License Agreement with the Company. The Parties agree to negotiate in good faith a separate IP license agreement for the grant by POET to SAIC (or to the Company in order to sublicense to SAIC) of a license to use the POET Background Device Design and Integration IP for the purpose of manufacturing by SAIC of devices for the supply to third parties other than the Company.

POET 应向公司授予免使用费的、永久的、不可撤销的且独占的许可，允许公司向 SAIC 分许可 POET 背景组件设计和集成知识产权的使用权，仅限生产依据第 5.3(b)条供应给公司的元件，并为此与公司订立 POET 组件技术许可协议。双方约定，基于诚意另行协商 POET 授权 SAIC（或授权公司后再分许可给 SAIC）使用 POET 背景组件设计和集成知识产权的知识产权许可协议，以便 SAIC 生产组件供应给除公司外的第三方。

- (c) POET shall be under no obligation to assign, transfer, license or otherwise grant any rights to any part of the POET Background Optical Interposer IP to either the Company or SAIC, and SAIC shall be under no obligation to assign, transfer, license or otherwise grant any rights to any part of its background fab process IP to either the Company or POET.

POET 没有义务将 POET 背景光学中介层知识产权之任何部分的任何权利让与、转让、许可或以其他方式授予公司或 SAIC，SAIC 亦没有义务将其背景晶圆工艺知识产权之任何部分的任何权利转让、让与、许可或以其他方式授予公司或 POET。

- (d) The technology licenses under above paragraphs (a), (b) and (c) shall be granted for the term of the Company's operations and without the ability to sublicense or transfer the respective license or its subject matter to any third party. POET shall continue to own its POET Background IP and be able to freely exploit it. For the avoidance of doubt, transferring of its equity in the Company by POET should not have any negative impact on the technology licenses under this Article 5.4, should not limit the scope of the technology licenses under this Article 5.4 in any manner, nor terminate such licenses.

上文(a)、(b)和(c)款中的技术许可有效期应为公司的经营期限，各项许可或其标的不能分许可或转让给任何第三方。POET 应继续拥有且不受限制地使用 POET 背景知识产权。为免疑义，POET 转让其拥有的公司股权不应对本第 5.4 条项下许可产生任何不利影响，不应对本第 5.4 条项下技术许可的范围有任何限制，亦不应终止该等许可。

- (e) Foreground IP based on POET Background IP shall be owned by the Company and licensed exclusively to POET without limitation. All such licenses of Foreground IP granted by the Company to POET shall be on a world-wide, royalty-free, perpetual and irrevocable basis.

基于 POET 背景知识产权的前景知识产权应归公司所用，且不受限制地排他许可给 POET。公司向 POET 授予的前景知识产权许可均应是全球范围的、免使用费的、永久的和不可撤销的。

## ARTICLE 6– TOTAL AMOUNT OF INVESTMENT AND REGISTERED CAPITAL

### 第6条 – 投资总额和注册资本

#### 6.1 Total Investment 投资总额

The Company's total amount of investment shall be RMB 471,324,000 (RMB four hundred seventy-one million three hundred twenty-four thousand).

公司的投资总额应是人民币 471,324,000 元（人民币肆亿柒仟壹佰叁拾贰万肆仟元整）。

#### 6.2 Registered Capital 注册资本

The Registered Capital shall be RMB 158,903,520 (RMB one hundred fifty-eight million nine hundred and three thousand five hundred and twenty).

公司的注册资本应是人民币 158,903,520 元（人民币壹亿伍仟捌佰玖拾万叁仟伍佰贰拾元整）。

#### 6.3 Contributions to the Registered Capital and Equity Percentages of the Parties 对注册资本的出资和双方的股权比例

- (a) SAIC's contribution to the Registered Capital shall be RMB seven million four hundred and six thousand five hundred and twenty (RMB 7,406,520) in cash, representing four point seven percent (4.7%) of the Registered Capital, and POET's contribution to the Registered Capital shall be RMB one hundred and fifty-one million four hundred and ninety-seven thousand (RMB 151,497,000) in kind by provision of the IP Assets, representing ninety five point three percent (95.3%) of the Registered Capital.

SAIC 对注册资本的出资额应是人民币柒佰肆拾万陆仟伍佰贰拾元整（人民币 7,406,520 元），以现金形式出资，占注册资本的百分之四点七（4.7%），POET 对注册资本的出资额应是人民币壹亿伍仟壹佰肆拾玖万柒仟元整（人民币 151,497,000 元），以提供知识产权资产的实物出资，占注册资本的百分之九十五点三（95.3%）。

- (b) As its contribution to the Registered Capital, on the condition that (i) the Filing Authorities have reviewed and duly approved or accepted, as the case may be, the filing for the establishment of the Company, this Contract and the Articles of Association, and (ii) the Establishment Date has occurred, both Parties shall make their respective contributions to the Registered Capital within thirty (30) business days after the Establishment Date.

双方应在成立日后三十（30）天内缴付各自对注册资本的出资额，条件是(i)备案机构审查后正式核准或接受（视情况而定）公司设立申请、本合同和公司章程，并且(ii)成立日已发生。

- (c) The Parties confirm that the maximum aggregate contribution value of the IP Assets is **POTENTIALLY ADVANTAGEOUS TO COMPETITORS** based on the assumption that the IP Assets will have a minimum fair market value equal to such amount, as confirmed by a qualified asset evaluation firm at the time of the contribution.

双方确认识别知识产权资产出资的总值上限是**对竞争对手潜在有利内容**，前提是知识产权资产在缴付出资额时的最低公允价值经合格资产评估机构确认等于该金额。

- (d) If the conditions (i) and (ii) in paragraph (b) above is not fulfilled within ninety (90) days of the Effective Date, and the Parties do not agree in writing to extend such ninety (90) days period, then each Party shall have the right to terminate in writing this Contract, in which case no Party shall have any right whatsoever to require the other Party to make any contribution to the Registered Capital or to claim any damages from the other Party. In such case the Company shall be dissolved and liquidated as set out in Article 16.

若上文(b)款中的条件(i)和(ii)在生效日期后九十（90）天内未能成就，且双方未能以书面形式约定延长该九十（90）天期限，则每一方有权以书面形式终止本合同，在此情形下，任何一方无权要求另一方缴付对注册资本的出资，亦无权要求另一方支付任何损害赔偿，公司应依据第16条规定解散结算。

#### 6.4 Further Financing 进一步融资

The difference between the total investment and the Registered Capital may be financed by foreign exchange third party loans, shareholder loans or other means of debt financing arranged by the Parties, provided that the nature and amount of any such debt financing shall be the subject of future agreement between the Parties and that no Party shall have any obligation under this Contract to arrange or provide such debt financing.

投资总额和注册资本之间的差额可通过外汇第三方贷款、股东贷款或双方安排的其他债务融资进行筹措，但任何该等债务融资的性质和金额应由双方进一步协商约定，且任何一方在本合同下没有义务安排或提供该等债务融资。

#### 6.5 Change of Registered Capital and Equity Percentages of the Parties 注册资本变更和双方的股权比例

- (a) The Parties agree to further increase the Registered Capital through a number of subsequent capital increases (the "**Agreed Capital Increases**") subject to

the completion of certain pre-conditions (the "**Pre-Conditions**") set out in SCHEDULE J.

双方约定通过一系列后续增资进一步提高注册资本（“**约定增资**”），但须满足附件 J 中列出的若干先决条件（“**先决条件**”）。

- (b) To confirm if all the Pre-conditions for each Agreed Capital Increase have been completed, the followings shall be observed:

为确认每次约定增资的先决条件是否均已满足，应遵守如下规定：

- (i) At the end of each phase, the Management Office shall prepare a report to the Board, reporting the progress and status of each Milestone identified in SCHEDULE I for such phase.

在每个期间结束时，管理层应提交报告给董事会，说明附件 I 所列各项重要事件在该期间的进展情况。

- (ii) If the Board approves the report and confirms with unanimous resolution that all Milestones for the reporting phase and other Pre-conditions specified in SCHEDULE J for the same reporting phase have been achieved, the Board shall apply for approval of the capital increase by the Shareholders' Meeting.

若董事会批准报告，经一致决议确认所有重要事件和附件 J 所列先决条件在报告所涉期间均已实现，则董事会应提请股东会批准增资。

- (iii) If the Shareholders' Meeting has adopted an unanimous resolution for the capital increase, the Parties shall subscribe to the increased Registered Capital according to the schedule set out in paragraph (d) below.

若股东会经一致决议批准增资，双方应按照下文(d)款中列出的时间表认购增加的注册资本。

- (iv) The above (i) to (iii) shall apply to each Agreed Capital Increase.

上文(i)至(iii)款应适用每次约定增资。

- (c) In case the Board does not approve the report mentioned in Article 6.5(b)(i) above, and believes the Milestones for the respective reporting phase have not been achieved yet, the Board shall grant a grace period of no more than 3 months. At the end of such grace period, the Company's Management Office shall restart the procedure specified in Article 6.5(b). If the second report is denied by the Board the matter shall be submitted to the Shareholders' Meeting for resolution. The Shareholders' Meeting shall proceed in accordance with Article 9.1(g) as applicable.

若董事会没有批准上文第 6.5(b)(i)条中提及的报告，认为重要事件在所涉报告期间尚未实现，则董事会应宽限不超过 3 个月。在该宽限期结束时，公司的管理层应重新启动第 6.5(b)条中规定的程序。若第二次报告被董事会否决，所涉事务应提交股东会决议，在适用的情况下，股东会应依据第 9.1(g)条处理。







resulting in POET holding POTENTIALLY ADVANTAGEOUS TO COMPETITORS and SAIC holding POTENTIALLY ADVANTAGEOUS TO COMPETITORS of the Registered Capital after the Third Agreed Capital Increase.

在依循第 6.5(b)条的前提下，经股东会决议批准第 3 期结束时的增资（且第 2 期增资已完成），双方应将注册资本增加至对竞争对手潜在有利内容对竞争对手潜在有利内容对竞争对手潜在有利内容（“第三次约定增资”），对竞争对手潜在有利内容对竞争对手潜在有利内容由 SAIC 以现金形式缴付；在第三次约定增资后，POET 持股对竞争对手潜在有利内容，SAIC 持股对竞争对手潜在有利内容。

- (iv) Subject to Article 6.5 (b), upon a respective resolution of the Shareholders' Meeting approving the capital increase at the end of Phase 4, but after the Third Agreed Capital Increase is completed, the Parties shall increase the Registered Capital (the "Fourth Agreed Capital Increase") by POTENTIALLY ADVANTAGEOUS TO COMPETITORS POTENTIALLY ADVANTAGEOUS TO COMPETITORS POTENTIALLY ADVANTAGEOUS TO COMPETITORS with SAIC subscribing to such capital increase by RMB POTENTIALLY ADVANTAGEOUS TO COMP in cash and POTENTIALLY ADVANTAGEOUS TO COMPETITORS POTENTIALLY ADVANTAGEOUS TO COMPETITORS in kind by provision of full and unrestricted ownership title of the Leased Equipment to the Company resulting in POET holding POTENTIALLY ADVANTAGEOUS TO COMPETITORS and SAIC holding POTENTIALLY ADVANTAGEOUS TO COMPETITORS of the Registered Capital after the Fourth Agreed Capital Increase.

在依循第 6.5(b)条的前提下，经股东会决议批准第 4 期结束时的增资（且第 3 期增资已完成），双方应将注册资本增加至对竞争对手潜在有利内容对竞争对手潜在有利内容（“第四次约定增资”），增加的 对竞争对手潜在有利内容对竞争对手潜在有利内容，其中 对竞争对手潜在有利内容对竞争对手潜在有利内容，其中 对竞争对手潜在有利内容由 SAIC 以现金形式缴付 对竞争对手潜在有利内容 对竞争对手潜在有利内容 由 SAIC 以向公司提供完全且无限制之租赁设备所有权的实物形式缴付；在第四次约定增资后，POET 持股 对竞争对手潜在有利内容，SAIC 持股 对竞争对手潜在有利内容。

- (v) Subject to Article 6.5 (b), upon a respective resolution of the Shareholders' Meeting approving the capital increase at the end of Phase 5, but after the Fourth Agreed Capital Increase is completed, the Parties shall increase the Registered Capital (the "Fifth Agreed Capital Increase") by POTENTIALLY ADVANTAGEOUS TO COMPETITORS POTENTIALLY ADVANTAGEOUS TO COMPETITORS POTENTIALLY ADVANTAGEOUS TO COMPETITORS with SAIC subscribing to such capital increase in cash resulting in POET holding POTENTIALLY ADVANTAGEOUS TO COMPETITORS POTENTIALLY ADVANTAGEOUS TO COMPETITORS of the Registered Capital after the Fifth Agreed Capital Increase.

在依循第 6.5(b)条的前提下，经股东会决议批准第 5 期结束时的增资（且第 4 期增资已完成），双方应将注册资本增加至**对竞争对手潜在有利内容**（**“第五次约定增资”**），**对竞争对手潜在有利内容**由 SAIC 以现金形式缴付；在第五次约定增资后，POET 持**对竞争对手潜在有利内容**，**对竞争对手潜在有利内容**。

- (vi) Subject to Article 6.5 (b), upon a respective resolution of the Shareholders' Meeting approving the capital increase at the end of Phase 6, but after the Fifth Agreed Capital Increase is completed, the Parties shall increase the Registered Capital (the "**Sixth Agreed Capital Increase**") by **POTENTIALLY ADVANTAGEOUS TO COMPETITORS** with SAIC subscribing to such capital increase in cash resulting in POET holding forty eight point five percent (48.5%) and SAIC holding fifty one point five percent (51.5%) of the Registered Capital after the Sixth Agreed Capital Increase.

在依循第 6.5(b)条的前提下，经股东会决议批准第 6 期结束时的增资（且第 5 期增资已完成），双方应将注册资本增加至**对竞争对手潜在有利内容**（**“第六次约定增资”**），**对竞争对手潜在有利内容**由 SAIC 以现金形式缴付；在第六次约定增资后，POET 持股比例为百分之四十八点五（48.5%），SAIC 持股比例为百分之五十一.5（51.5%）。

- (e) Each Party shall make its capital contributions for all Agreed Capital Increases in accordance with the Pre-Conditions and Contribution Schedule set out in SCHEDULE J, always provided that there is no material breach of this Contract by the other Party respectively.

每一方应按照附件 J 中列出的先决条件和出资时间表缴付各自对所有约定增资的出资额，前提是另一方没有实质违反本合同。

- (f) For the purpose of implementing all Agreed Capital Increases each Party hereby waives its respective pre-emptive rights it may have under statutory law or otherwise to subscribe to any portion of the Registered Capital increase other than agreed in paragraph (a) above.

为实现每次约定增资，每一方在此放弃各自的法定或其他增资认购优先权，上文(a)款中约定的除外。

- (g) For each Agreed Capital Increase The Company shall within fifteen (15) days from the date of the Shareholder Resolution approving the capital increase submit all required documentation to the Filing Authorities for the review, filing and/or approval of the respective capital increase and the required amendments to this Contract and the Articles of Association. Both Parties shall complete their capital contributions for each Agreed Capital Increase within fifteen (15) days from the date the procedures with the Filing Authorities are completed.

每次增资时，公司应在股东增资批准决议通过之日起十五（15）天内向备案机构递交审查、备案和/或核准每期增资所需的所有文件及对本合同和公司章程的必要修订。双方应在备案程序结束之日起十五（15）天缴付各自对每次增资的出资额。

- (h) In the event that either Party fails to provide its contribution to any Agreed Capital Increase pursuant to this Article 6.5 and SCHEDULE J, then in addition to any other rights the Company may have against the defaulting Party, the non-defaulting Party shall have the right (but not the obligation) to provide the entire amount or a portion of such increase in the Registered Capital and, in such case, subject to the completion of the required approval, filing and/or registration procedures with the Filing Authorities, the non-defaulting Party's interest in the Registered Capital shall be proportionately increased.

若任何一方没有依据本第 6.5 条和附件 J 缴付对任何约定增资的出资，除了公司可对违约方享有的任何其他权利，守约方有权（但没有义务）缴付对注册资本的全部出资或相关增资，在此情形下，在向备案机构办理了必要的核准、备案和/或登记手续后，守约方在注册资本中所占的比例应相应提高。

- (i) As a general rule, the Company shall not reduce its Registered Capital. If the Parties agree that there are sufficient reasons to reduce the Registered Capital, then the reduction must be approved unanimously by the Shareholders of the Company and be submitted to the Filing Authorities for approval, filing and/or registration. Such reduction shall not harm the benefits of creditors of the Company.

一般情况下，公司不应减少注册资本。若双方同意有合理理由需要减少注册资本，减资须经公司股东一致批准，并提交备案机构核准、备案和/或登记。减资不应损害公司债权人的利益。

## **6.6 Encumbrance of Investment 投资权益的权利负担**

No Party shall mortgage, pledge, charge or otherwise encumber all or any part of its share in the Company's registered capital without the prior written consent of the other Party.

未经另一方事先书面同意，任何一方不得按揭、质押、抵押或以其他方式为自己在公司注册资本中的全部或部分份额创设权利负担。

## **ARTICLE 7 – ASSIGNMENT OF REGISTERED CAPITAL**

### **第7条 – 注册资本转让**

#### **7.1 Prohibition of Assignment 禁止转让**

Neither Party may assign, sell, transfer or otherwise dispose (including for this purpose the creation of any charge or other security interest over such investment) of all or any part of its share in the registered capital of the Company or its rights, obligations and benefits under this Contract and the Articles of Association to a Third Party without the other Party's prior written consent which consent shall not unreasonably withheld.

未经另一方事先书面同意（该同意不应无理拒绝），任何一方不得向第三方转让、出售、让与或以其他方式处置（在此情形下包括对投资创设任何抵押或其他担保利益）其在公司注册资本中的全部或部分份额或者其在本合同和公司章程项下的权利、义务和利益。

## 7.2 Right of First Refusal 优先购买权

- (a) From the date on which all Agreed Capital Increases are completed neither Party may assign, sell, transfer or otherwise dispose of all or any part of its share in the registered capital of the Company or its rights, obligations and benefits under this Contract and the Articles of Association to a Third Party without the other Party's prior written consent unless it complies fully with the following procedure: (a) Notice. When one Party (the “**Assigning Party**”) intends to dispose of all or part of its equity interest in the Company (the “**Disposal**”), it shall notify the Other Party (the “**Other Party**”) in writing setting forth the purchase price and terms offered by any purchaser (the “**Notice**”).

自所有约定增资完成之日起，未经另一方事先书面同意，任何一方不得将其在公司注册资本中的全部或部分份额或者其在本合同和公司章程项下的权利、义务和利益转让、出售、让与或以其他方式处置给第三方，除非该方完成以下程序：(a)通知。若一方（“**出让方**”）有意处置其持有的全部或部分公司股权（“**处置**”），应以书面形式通知另一方（“**另一方**”），列明任何收购方提出的收购价格和条款（“**通知**”）。

- (b) Pre-emptive Rights. The Other Party shall have the right to purchase the equity interest being disposed of at a price at least equal to that indicated in the Notice, by giving written notice to the Assigning Party within sixty (60) days following the date the Notice was received. Where the terms and conditions offered by the potential purchaser do not provide a purchase price or provide one which is not payable entirely in cash, then the Other Party shall have the right to purchase the relevant equity interest on the same price and terms as that set forth in the Notice (if any), or at a price equal to Fair Value (as defined in Article 16.2(b)(i) and (ii) of the Assigning Party's equity interest. The Assigning Party shall have the right to withdraw any Notice and retain its ownership of equity interest in the Company until such time as any applicable purchase agreement in respect thereof is executed.

优先认股权。另一方有权在接到通知后六十（60）天内向出让方发出书面通知，按照不低于通知中所列价格收购被处置股权。潜在收购方提出的条款和条件未列明收购价格或者所列价格不是全部以现金支付的，另一方有权按照通知（如有）中所列相同价格和条款或者按照等于出让方股权之公允价值（定义见第16.2(b)(i)、(ii)条）的价格收购相关股权。出让方有权撤回任何通知，继续持有自己在公司的股权，直至签署任何适用的相关收购协议。

- (c) Disposition. If the Other Party does not exercise its pre-emptive rights as aforesaid and it provides written consent to the proposed Disposal, the Assigning Party may assign, sell or otherwise dispose of all or part of its amount of capital contribution to the third party for a purchase price equal or greater to that described in the Notice, provided that the third party undertakes and actually becomes a party to this Contract. The Assigning Party shall notify the Other Party in writing of the terms and conditions of the assignment.

处置行为。若另一方没有行使上述优先认股权且书面同意提议处置，出让方可按不低于通知中所列价格将其全部或部分出资额转让、销售或以其他方式处置给第三方，前提是第三方承诺并实际成为本合同的一方当事人。出让方应以书面形式将转让条款和条件告知另一方。

- (d) **Agreement.** If a Party transfers its share to a third party, the Assigning Party shall enter into a transfer contract under which the third party agrees to assume in relation to the Other Party the same rights and obligations as exist for the Assigning Party at the signing of the share transfer contract under (i) this Contract and under (ii) other legally valid agreements and contracts between the Parties in their capacity as the shareholders to the Company. The Assigning Party shall provide evidence of said undertaking to the Other Party.

协议。若一方将其股份转让给第三方，出让方应签订转让合同。在该合同中，第三方同意自股份转让合同签订之时起对另一方承担与出让方相同的权利和义务，该等权利和义务规定于(i)本合同以及(ii)双方以公司股东身份签订的其他依法有效的协议和合同。出让方应向另一方提供承担上述权利和义务的证据。

- (e) **Approval.** Subject to the terms and conditions set forth in this Article, the Parties shall consent and cause their directors appointed to the Board to approve any sale, transfer, assignment or other disposal of the shares hereunder provided that (i) the provisions under this Article have been complied with and (ii) the third party presents evidence satisfactory to the Other Party that it is fully capable to fulfil all its obligations resulting from such contracts in all respects and (iii) has legally valid executed the documents and contracts referred to in the foregoing paragraph.

批准。在依循本条所列条款和条件的前提下，双方应同意并促使其指定的董事批准本合同项下的股份出售、转让、让与其他处置行为，前提是(i)本条规定已被遵守，(ii)第三方证明其完全有能力履行合资合同而承担的全部义务的证据在各方面均使另一方感到满意，并且(iii)上款中提及的文件和合同均已依法签署生效。

### 7.3 **Tag-Along Option 跟售选择权**

If the Disposal by the Assigning Party under Article 7.2 constitute all or more than fifty percent (50%) of the Assigning Party's equity interest in the Company, then the Other Party shall have a tag-along option and the following provisions shall apply:

若出让方依据第 7.2 条处置的股权达到或超过其持有的公司股权的百分之五十（50%），则另一方应享有跟售选择权，并适用以下规定：

- (a) If the Other Party wishes to exercise its tag-along option, it shall submit an unconditional and irrevocable tag-along notice to the Assigning Party in the agreed form within sixty (60) days from the date of the Notice. If a tag-along notice is not submitted prior to the end of the sixty (60)-day period, the tag-along option shall be deemed to have lapsed.

若另一方想要行使跟售选择权，应在通知之日起六十（60）天内以约定形式向出让方发出无条件且不可撤销的跟售通知书。若跟售通知书未在六十（60）天期限结束之前发出，跟售选择权视为失效。

- (b) If the Other Party exercises its tag-along option, the Assigning Party shall not sell, transfer, assign or otherwise dispose any equity interests to the third party unless the third party, at the same time, purchases the entire equity interests of the Other Party in the Company as specified in the tag-along notice at the same proportionate price and otherwise on the same terms.

若另一方行使跟售选择权，则出让方不得将任何股权出售、转让、让与或以其他方式处置给第三方，除非该第三方同时按照同等适当价格和同等条款收购跟售通知书中列出的另一方持有的全部公司股权。

## **ARTICLE 8 – OBLIGATIONS OF THE PARTIES**

### **第8条 – 双方的义务**

#### **8.1 Obligations of SAIC SAIC 的义务**

In addition to its other obligations under this Contract, SAIC has the following obligations:

除了本合同规定的其他义务，SAIC 还承担以下义务：

- (a) SAIC shall provide such assistance as the Company may reasonably request for the Company to obtain all approvals, filings and/or registrations as may be necessary to establish, carry on and expand its business operations.

SAIC 应提供公司为建立、开展和扩张业务取得所有可能必要之核准、备案和/或登记而可能合理请求的协助。

- (b) SAIC shall, on or shortly after the Establishment Date or on any later date as the Parties may agree, enter into each of the Ancillary Agreements to which it is a party by validly signing and sealing the required original copies of such Ancillary Agreements.

SAIC 应在成立日或双方可能约定的任何较晚日期当天或之后不久在其为立约方的附属协议的所需原件副本上有效签字盖章。

- (c) SAIC shall lease to the Company suitable premises in Xiamen, PRC, on market standard terms to be agreed in the SAIC Facility Lease Agreement.

SAIC 应依照 SAIC 设施租赁协议中约定的市场标准条款在中国厦门市将合适场所出租给公司。

- (d) SAIC shall purchase and lease to the Company the Leased Equipment the Company requires for its initial business operations by entering into the SAIC Equipment Lease Agreement with the Company on market standard terms. Details of the equipment to be leased are set out in SCHEDULE K. Such equipment shall be located at the Company's facility for the exclusive use by the Company. Ownership of this equipment and assets shall be transferred to the Company in accordance with the Milestones as capital contributions to the respective Agreed Capital Increases.

SAIC 应采购公司最初业务运营所需的租赁设备，并出租给公司。为此，SAIC 应按照市场标准条款与公司签订 SAIC 设备租赁协议。租赁设备的详细信息见附件 K。该等设备应安置在公司的设施中，仅供公司使用。该等设备和资产的所有权应在属于重要事件的相关约定增资出资之时转让给公司。

- (e) SAIC shall support the Company to search for and hire employees other than those set out in SCHEDULE L in accordance with the Company's policies for hiring employees. The CEO of the Company shall make the final decision for every hiring of such employees.

SAIC 应协助公司依照公司员工招聘政策寻找和聘用除附件 L 所列人员外的其他员工。该等员工的录用决定应由公司的首席执行官最终作出。

## 8.2 Obligations of POET POET 的义务

In addition to its other obligations under this Contract, POET has the following obligation:

除了本合同规定的其他义务，POET 还承担以下义务：

- (a) POET shall provide such assistance as the Company may request for the purpose of obtaining all regulatory or any other approvals, filings and/or registrations of this Contract and the Articles of Association as contemplated in this Contract.

POET 应提供公司为取得本合同和本合同中拟议公司章程的所有监管或其他核准、备案和/或登记而可能请求的协助。

- (b) POET shall, on or shortly after the Establishment Date or on any later date as the Parties may agree, enter into each of the Ancillary Agreements to which it is a party by validly signing and sealing the required original copies of such Ancillary Agreements.

POET 应在成立日或双方可能约定的任何较晚日期当天或之后不久在其为立约方的附属协议的所需原件副本上有效签字盖章。

- (c) POET shall support the Company in relation to customer qualifications within and outside of the China Territory.

POET 应支持公司在中国地区内外的客户资质认定。

- (d) POET shall ensure that its senior managers are available to consult SAIC from time to time remotely and free-of-charge on questions regarding the development and manufacturing of Components to be supplied to the Company.

POET 应确保其高管不时就供货给公司的元件的开发和生产问题向 SAIC 提供远程免费咨询。

## 8.3 Joint Recruitment 联合招聘

- (a) POET shall have the primary responsibility for identifying certain key employees of the Company as detailed in Schedule L (the "**Key Employees**"), as well as the CEO of the Company. SAIC shall be involved in the interview process and shall approve each candidate, such approval not to be unreasonably

withheld. Upon the approval of each candidate and the terms of the employment by both Parties, the Board shall prepare the required employment documentation, including labour contract, confidentiality, employee invention, IP protection agreements, and execute these together with the candidate.

POET 应主要负责挑选附件 L 中详细列出的公司核心员工（“核心员工”）和公司首席执行官。SAIC 应参与面试过程并批准聘用，该等批准不应无理拒绝。在双方均批准聘用及相关条款后，董事会应准备并同被录用人签署所需聘用文件，包括劳动合同、保密协议、职务发明和知识产权保密协议。

- (b) SAIC shall have the primary responsibility for identifying the CFO of the Company. SAIC shall be involved in the interview process and shall approve the candidate, such approval not to be unreasonably withheld. Upon the approval of the candidate and the terms of the employment by both Parties, the Company shall prepare the required employment documentation, including labour contract, confidentiality, employee invention, IP protection agreements, and execute these together with the candidate.

SAIC 应主要负责挑选公司财务总监。SAIC 应参与面试过程并批准聘用，该等批准不应无理拒绝。在双方均批准聘用及相关条款后，公司会应准备并同被录用人签署所需聘用文件，包括劳动合同、保密协议、职务发明和知识产权保密协议。

- (c) POET shall have the sole responsibility for identifying and hiring certain key employees of POET or any of POET's Affiliates as detailed in Schedule N.

POET 应单独负责挑选和聘用 POET 或附件 N 中详细列出 POET 关联方的特定关键员工。

- (d) The CEO of the Company shall be responsible for identifying and hiring any other employees of the Company with the support by POET and SAIC.

公司首席执行官应负责挑选和聘用公司的其他员工，POET 和 SAIC 提供协助。

- (e) POET shall support SAIC with identifying and hiring process/device design experts.

POET 应协助 SAIC 挑选和聘用工艺/器件设计专家。

## **ARTICLE 9— SHAREHOLDERS, BOARD OF DIRECTORS AND SUPERVISORS**

### **第9条 – 股东、董事会和监事**

#### **9.1 Shareholders' Meeting 股东会**

- (a) The Company shall establish a Shareholders' Meeting which consists of all Shareholders. The Shareholders' Meeting is the highest authority of the Company.

公司应成立由全体股东组成的股东会。股东会是公司的最高权力机构。

- (b) The Shareholders' Meeting shall exercise the following functions and powers:



股东会行使以下职能：

- (i) **deciding on the business policies, investment plans, R&D plans and technical roadmaps of the Company;**  
决定公司的经营方针、投资计划、研发计划和技术路线图。
- (ii) **appointing and removing the directors and the supervisors, and deciding on matters concerning the remuneration of the directors and the supervisors;**  
任命、罢免董事和监事，决定董事和监事的薪酬事宜。
- (iii) **reviewing and approving the reports of the Board;**  
审议批准董事会报告；
- (iv) **reviewing and approving the reports of the supervisors;**  
审议批准监事报告；
- (v) **reviewing and approving the Company's annual financial budget and final accounting;**  
审议批准公司年度财务预算和决算；
- (vi) **reviewing and approving the Company's profit distribution plans and loss recovery plans;**  
审议批准公司的利润分配方案和亏损弥补方案；
- (vii) **deciding on termination of or major changes to the Business, or commencement of other lines of business by the Company;**  
决定公司终止业务、对业务进行重大调整或开始其他业务；
- (viii) **resolving on increase or reduction of the Registered Capital;**  
决议增加或减少公司注册资本；
- (ix) **resolving on issue of corporate bonds;**  
决议发行公司债券；
- (x) **resolving on merger, division, dissolution, liquidation or change of the form of the Company;**  
决议公司合并、分立、解散、清算或形式变更；
- (xi) **establishing, expanding or closing subsidiaries, branches or representative offices of the Company;**  
开设、扩张或关闭公司的子公司、分公司或代表机构；

(xii) recruiting, suspending or terminating an employee on any of the Key Employees, the CEO or the CFO;

聘用、中止聘用或解聘任何核心员工、首席执行官或财务总监；

(xiii) establishing employee incentive plans, including stock option plans of up to 20% of the Registered Capital;

制定员工激励计划，包括高达注册资本 20% 的股票期权计划；

(xiv) assigning, selling, transferring or otherwise disposing any portion of the share in the Registered Capital by any Party;

转让、出售、让与或以其他方式处置注册资本中任何一方的份额；

(xv) assigning, licensing or otherwise disposing or acquiring Intellectual Property except in the daily course of business and with minor value;

转让、许可或以其他方式处置或收购知识产权，日常业务和价值较小的除外；

(xvi) incurring obligations, liabilities, debts or costs or granting loans of RMB 1,000,000 (RMB 1 million) or more;

产生义务、责任、债务或费用或者提供贷款，金额不低于人民币 1,000,000 元（人民币壹佰万元）；

(xvii) granting any corporate guarantee or surety over assets of the Company;

用公司资产提供公司担保或保证；

(xviii) amending the Articles of Association; and

修订公司章程；以及

(xix) other functions and powers stipulated in the Articles of Association.

公司章程中规定的其他职能。

(c) The Shareholders may have regular meetings and interim meetings. Regular meetings shall be held at least every three (3) months during the first two (2) years from the Establishment Date, and twice per year thereafter. An interim meeting shall be held where it is proposed by any Shareholder, the Board or all supervisors of the Company.

股东可举行定期会议和临时会议。自成立日起的两（2）年内，定期会议应每三（3）个月举行一次，两年期满后每年举行两次。经任何股东、董事会或公司全体监事提议，应召开临时会议。

(d) A meeting of Shareholders shall be convened and presided over by the Chairman of the Board. Where the Chairman is unable or fails to perform his duties, any supervisor may convene and preside over the meeting.

股东会应由董事长召集并主持，董事长无法或未能履行职责的，应由任何监事召集并主持。

- (e) The first Shareholders' Meeting shall be held within fifteen (15) days from the Establishment Date. At such first Shareholders' Meeting the Shareholders shall appoint directors and supervisors and transact any other business required for the start of operation of the Company.

第一次股东会应在成立日起十五（15）天内举行。在第一次股东会上，股东应任命董事和监事，处理公司开始运营所需的任何其他业务。

- (f) The Shareholders shall exercise their voting rights in proportion to their equity interests in the Company. Resolutions by the Shareholders shall be adopted at a duly constituted and convened meeting of the Shareholders only upon the unanimous affirmative vote by the Shareholders representing the voting rights present in person, by telephone, by videoconference or by proxy at such meeting.

股东应按各自在公司的持股比例行使表决权。股东会决议应在合法组成和召集的股东会议上，由亲自、通过电话、以视频会议形式或委托代理人出席该次会议的有表决权股东一致赞成表决通过。

- (g) The Shareholders shall use their best effort to reach a common understanding in due time on all matters to be decided by the Shareholders' Meeting as set forth herein. If a decision cannot be reached in good faith within two (2) months after any relevant matter is presented to the shareholders' meeting for the first time ("**Deadlock**"), the matter shall be submitted to the respective senior management of both Parties. If the senior management of the Parties cannot reach a final decision within thirty (30) days after the relevant matter is presented to the senior management of the Parties, the Parties shall consult with each other and express their opinion as to sale of the equity interest in the Company in whole by one Party and purchase of such equity interest by the other Party. If a share transfer cannot be agreed within an additional thirty (30) days, either Party may terminate this Contract and initiate liquidation of the Company pursuant to Article 16.3.

股东应尽力在适当时候就本合同规定由股东会决定的所有事项达成共识。若任何相关事项在第一次提交股东会两（2）个月不能基于诚信作出决定（“僵局”），该事项应提交双方高管。若相关事项在提交双方高管后三十（30）天内不能作出最终决定，双方应相互协商，就一方出售其持有的全部或部分公司股权及另一方收购该等股权发表各自的意见。若在额外三十（30）天内仍无法就股权转让达成一致，任何一方可终止本合同，依据第 16.3 条对公司进行清算。

## 9.2 Board of Directors 董事会

- (a) The Company shall have a board of directors (the "**Board**") which consist of five directors appointed by the Shareholders' Meeting as follows:

公司应设董事会（“**董事会**”），由股东会任命的五名董事组成：

- (i) Both the CEO and the CFO shall each be appointed as one of the directors.

首席执行官和财务总监均应被任命为董事。

- (ii) Each Party shall nominate one director, to be appointed by the Shareholders' Meeting according to such nomination.

每一方应提名一名董事，由股东会任命。

- (iii) The fifth director (the "**Fifth Director**") shall be a well-known person of high integrity with a reputation as a successful business leader in the field of photonics for optical data communications. Both Parties may submit nominations for the Fifth Director to the Shareholders' Meeting. The Shareholders shall agree on one candidate and elect such candidate as Fifth Director accordingly by unanimous decision of the Shareholders' Meeting.

第五名董事（“**第五董事**”）应是在光数据通信光电领域德高望重且以成功商业领袖而著称的知名人士。双方均可向股东会提名第五董事。股东应经股东会一致决定，协商选出一人担任第五董事。

- (b) Each director shall serve a term of three (3) years and may serve consecutive terms if so qualified in accordance with the pre-conditions set out under paragraph (a) for each position.

每名董事的任期是三（3）年，若符合(a)款列出的相关前提条件，可以连任。

- (c) The Chairman of the Board shall be the director nominated by SAIC, and shall be the legal representative of the Company. The legal representative shall only be permitted to externally act on behalf of the Company in relation to any matter that shall be decided by the Shareholders' Meeting or the Board upon a related resolution of the Shareholders' Meeting or the Board, as the case may be, resolving that any business or other action on such matter shall be carried out by the Company through the legal representative. The Chairman may appoint a Vice Chairman in case of his/her absence.

董事长应由 SAIC 提名的董事担任，并担任公司的法定代表人。股东会或董事会（视情况而定）就任何应由公司通过法定代表人实施的任何业务或其他行动作出相关决议的情况下，法定代表人才可对外代表公司。董事长可任命副董事长，在其缺席的情况下代行董事长职责。

- (d) The Board shall be responsible to the Shareholders and shall exercise the following functions and powers:

董事会应对股东负责，行使以下职权：

- (i) convening meetings of the Shareholders and report to the shareholders' meeting on its work;

召集股东会会议，向股东会报告工作；

- (ii) preparing the Company's business policies, investment plans, R&D plans and technical roadmaps of the Company, annual financial budget and final accounting, and profit distribution plans;

制定公司的业务计划、投资计划、研发计划和技术路线图、年度财务预算和决算以及利润分配方案；

- (iii) preparing internal policies and basic management system for the Company, including employment and remuneration guidelines and handbooks, accounting systems and procedures;

制定公司内部政策和基本管理制度，包括雇用和薪酬指南和手册、会计制度和流程；

- (iv) appointing and removing the CEO and the CFO;

任命和罢免首席执行官、财务总监；

- (v) appointing and removing the accounting firm that carries out the annual audit of the Company;

聘用和解聘公司年度审计的会计师事务所；

- (vi) the Company's entering into, amending, terminating or waiving any rights under, any agreement in respect of (i) any transaction which involves or is likely to involve aggregate amounts payable by or to the Company in excess of RMB 336,660, or (ii) any transaction, regardless of the amount payable by or to the Company, which may create a liability in excess of RMB 336,660, or (iii) a related party transaction with any Shareholder, a Shareholder's Affiliate or a member of the Board or the Management Office, including any back license of Foreground IP and supply and procurement agreements; and

公司就以下事项订立、修订或终止任何协议或者放弃任何协议项下的任何权利：(i)公司应付或应收总金额超过人民币336,660的交易；或者(ii)任何可能产生超过人民币336,660责任的交易，且无论该交易中公司应付或应收金额多少；或者(iii)与任何股东、股东关联方、董事会或管理层的成员的相关方交易，包括前景知识产权反许可以及供货采购协议；以及

- (vii) any other matters that are required to be decided by the board of directors of a company under Applicable Laws.

适用法律要求由公司董事会决定的其他事项。

- (e) Resolutions by the Board shall be adopted at a duly constituted and convened meeting only upon the unanimous affirmative vote by the members of the Board representing the voting rights present in person, by telephone, by videoconference or by proxy at such meeting. For a duly convened Board meeting at least three (3) directors, and at least one (1) director appointed by each of the Parties, have to be present accordingly. If the Board cannot make a decision on any matter after the two consecutive meetings where the matter is considered, the matter shall be submitted to the Shareholders' Meeting for resolution.

董事会决议应在合法组成和召集的会议上，由亲自、通过电话、以视频会议形式或委托代理人出席该次会议的有表决权董事会成员一致赞成表决通过。合法召集的董事会会议必须有至少三（3）名董事以及每一方任命的一（1）名董事出席。若董事会连续召集两次会议讨论相同事项后仍不能做出决定的，该事项应提交股东会决议。

- (f) The first Board meeting shall be held within one (1) month from the Establishment Date. At such first Board meeting the Board shall appoint the CEO and CFO and approve the signing of the Ancillary Agreements and transact any other business required for the start of operation of the Company.

第一次董事会会议应自成立日起一（1）个月内举行。在第一次董事会会议上，董事会应任命首席执行官和财务总监，批准签署附属协议，并处理公司开始运营所需的任何其他业务。

### 9.3 Supervisors 监事

- (a) Instead of a board of supervisors, the Company shall have two (2) supervisors, one supervisor nominated by each Party and appointed by the Shareholders' Meeting in accordance with the Parties' nominations.

公司不设监事会，设两（2）名监事，由每一方分别提名后，股东会依照提名任命。

- (b) Each supervisor shall serve for a term of three (3) years and may serve consecutive terms if re-appointed by the shareholders' meeting. If a seat for a supervisor is vacated by the retirement, resignation, illness, disability or death of a supervisor or by the removal of such supervisor by the Shareholders, the Party who originally nominated the departing supervisor shall nominate a successor, to be appointed by the Shareholders' Meeting accordingly. The Company shall be responsible for handling the registration procedures for replacement of the supervisor.

每名监事的任期是三（3）年，若股东会重新任命，可以连任。若因监事退休、辞职、生病、失去行为能力、死亡或被股东罢免而出现空缺，提名原监事的一方应提名一名继任人，由股东会任命。公司应负责办理监事变更的登记手续。

- (c) The supervisor shall exercise the following duties and powers:

监事应行使以下职权：

- (i) To examine financial affairs of the Company;

审查公司的财务状况；

- (ii) To supervise the duty-related acts of directors and senior management that are in violation of laws, regulations or the Articles of Association, and to bring forward proposals on the removal of any director or senior management personnel who violates laws, regulations, the Articles of Association or resolutions of the Shareholders;

监督董事和高管违反法律、法规或公司章程的职责相关行为，建议罢免违反法律、法规、公司章程或股东决议的董事或高管；

- (iii) To request any director or senior management to make rectification if his/her acts have harmed the interests of the Company;

若董事或高管的行为损害了公司利益，要求该董事或高管予以纠正；

- (iv) To propose interim shareholders' meetings;



提议召集临时股东会议；

- (v) To bring forward proposals at shareholders' meetings;

在股东会上提出议案；

- (vi) To initiate actions against directors or senior management officers who, when performing their duty-related acts, have violated laws, regulations or the Articles of Association and have caused damage to the Company; and

对在实施职责相关行为时违反法律、法规或公司章程并对公司造成损害的董事或高管提起诉讼；以及

- (vii) Other duties as prescribed by the Articles of Association from time to time.

公司章程不时规定的其他职责。

## ARTICLE 10 – MANAGEMENT

### 第10条 – 管理

#### 10.1 Management Office 管理层

- (a) The Company shall have one (1) General Manager with the title of Chief Executive Officer or CEO, who shall be appointed and dismissed by the Board following the procedure set out in and in accordance with Article 8.3(a). The CEO is accountable to the Board.

公司应设一（1）名总经理，称为首席执行官，由董事会按照第 8.3(a)条依程序任命和罢免。首席执行官对董事会负责。

- (b) The Company shall have one (1) Chief Financial Officer or CFO, who shall be appointed and dismissed by the Board following the procedure set out in and in accordance with Article 8.3(b). The CFO is accountable to the CEO.

公司应设一名财务总监，由董事会按照第 8.3(b)条依程序任命和罢免。财务总监对首席执行官负责。

- (c) The Management Office shall consist of the CEO and the CFO and such other management personnel as determined by the Board, and shall be responsible to and under the leadership of the CEO.

管理层应由首席执行官、财务总监和董事会确定的其他管理人员组成，对首席执行官负责，接受首席执行官的领导。

- (d) If any member of the Management Office is removed or cannot serve in such capacity due to retirement, resignation, illness, civil disability, death, criminal prosecution, or being removed as the Board determines he/she is no longer suitable for taking this position, a successor shall be nominated and appointed in the same manner as the original appointee.

若管理层的任何成员被罢免或者因退休、辞职、生病、丧失民事行为能力、死亡、被控刑事犯罪而无法任职，或者因董事会认为其不再适合担任该职务而被罢免，应按照提名原高管的方式提名并任命继任人。

## 10.2 Management Organisation 管理组织

- (a) The Management Office shall, within the scope of powers as set forth in this Contract, organise itself under the leadership of the CEO. It has the overall responsibility of managing and directing the business and operations of the Company and shall manage and oversee the daily operations of the Company's Finance Department. The Management Office shall provide leadership to position the Company at the forefront of the Company's industry within the PRC by proposing the overall strategic direction and operational plans for the Company to the Board, and implementing such plans as approved. The members of the Management Office shall devote their time and skill to advancing the Company's mission and objectives and to promoting the Company's revenue, profitability and growth as an organization. The Management Office shall also manage and oversee all aspects of the Company's operations to ensure efficiency, quality, service, and cost-effective management of resources. The specific responsibilities of the Management Office shall include the following:

管理层应在本合同所述职权范围内，在首席执行官的领导下工作，全面负责管理和指导公司的业务和运营，管理和监督公司财务部门的日常运作。管理层应带领公司在中国处于相关行业前列，向董事会提出公司全面战略指导和运营计划，执行获批计划。管理层成员应将自己的时间和技能用于推进公司的使命和目标，促进公司的收入、盈利能力和组织成长。管理层还应管理和监督公司运营的各个方面，确保效率、质量、服务和资源成本效益管理。管理层的具体职责应包括：

- (i) proposing the Company's annual business/operational plans and budget for review by the Board, and implementing such plans as approved;

提交公司的年度业务/运营计划和预算给董事会审议，执行获批计划；

- (ii) managing the day-to-day operations of the Company and overseeing the activities of the Company's functional departments as the Company may establish;

管理公司的日常运作，监督公司可能设立的公司职能部门的活动；

- (iii) reviewing and evaluating the performance and capabilities of departmental managers to determine competency and fitness to perform the designated/delegated tasks and responsibilities and dedication and contribution in attaining objectives; and where necessary and appropriate, dismissing incompetent departmental managers after consultation and reaching consensus with the Board and appointing their replacements;

审查和评估部门经理的表现和能力，确定其履行指定/委派任务和责任的的能力和适应力以及对实现目标的付出和贡献；在必要且适当的情况下，经协商并与董事会达成共识后解聘不称职的部门经理，任命继任者；



- (iv) formulating and supervising the implementation of the Company's procedures, policies and standards within the parameters set forth by the Board;

在董事会设定的范围内制定公司程序、政策和标准并监督执行情况；

- (v) reviewing, approving and/or signing contracts and agreements related to the daily operations of the Company no more than RMB 336,660 and approving and authorizing expenditures of the Company in accordance with the approved annual budget no more than RMB 336,660 and subject to other limitations which may be set from time to time by the Board;

审查、批准和/或签署与公司日常运营相关的不超过人民币 336,660 的合同和协议，根据获批的年度预算，在不超过人民币 336,660 和董事会可能不时设定的其他限制范围内，批准和授权公司支出；

- (vi) proposing for review by the Board, changes to the Company's compensation structures and annual bonus plans for the employees and officers of the Company based on market conditions, the Company's financial performance and in accordance with the parameters set forth in the annual budgets; and

基于市场条件和公司财务状况，根据年度预算中设定的参数，提议调整公司员工和高管的薪酬结构和年度奖金计划，供董事会审核；以及

- (vii) proposing for review by the Board, changes to the Company's organizational structure and the Company's overall headcount in light of market conditions.

根据市场情况，提议调整公司组织结构和公司员工总数，供董事会审核。

- (b) The members of the Management Office shall work for or on behalf of the Company full time and shall not hold posts concurrently with other enterprises without prior approval of the Board, provided, however, that certain individuals may be employed by one of the Parties or its Affiliate and seconded to the Company.

管理层成员应专职为公司工作并代表公司，未经董事会事先批准，不得在其他企业兼职，但特定人员可以受聘于一方或其关联方并外派到公司。

## **ARTICLE 11– LABOUR MANAGEMENT**

### **第11条 – 劳动管理**

#### **11.1 Governing Principle 管理原则**

Matters relating to the recruitment, employment, dismissal, resignation, wages, labour insurance and welfare of the employees of the Company shall be handled by the CEO or his designee in accordance with the relevant labour laws and regulations of the PRC, other Applicable Law, and the policies formulated by the Board.

有关公司员工的招聘、录用、解雇、辞职、工资、劳动保险和福利事宜应由首席执行官或其指定人员依据中国相关劳动法律法规、其他适用法律及董事会制定的政策处理。

## **11.2 Employment Agreements 劳动合同**

Employees of the Company (other than members of the Management Office and Key Employees) shall be employed in accordance with the terms of individual employment agreements entered into between the Company and such individuals. Such agreements shall be approved in form and substance by the CEO or his designee.

公司员工（不包括管理层和核心员工）应根据公司与员工个人订立的个人劳动合同条款雇用。该等劳动合同的形式和内容应由首席执行官或其指定人员批准。

## **11.3 Management Office and Key Employees 管理层和核心员工**

Members of the Management Office and Key Employees shall be employed by the Company in accordance with the terms of individual employment contracts. Members of the Management Office and Key Employees as well as other employees having access to confidential information of the Company and/or either of the Parties shall also be required to enter into non-competition and confidentiality agreements as well as employee invention agreements with the Company.

公司应依据个人劳动合同条款雇用管理层成员和核心员工。可接触到公司和/或任何一方的保密信息的管理层成员和核心员工及其他员工应同公司订立竞业禁止协议、保密协议和职务发明协议。

## **11.4 Conformity with Labour Protection 遵守劳动保护规定**

The Company shall comply with the Applicable Law concerning labour protection. Labour insurance for the Company's employees shall also be handled in accordance with the Applicable Law.

公司应遵守有关劳动保护的适用法律，根据适用法律为公司员工办理劳动保险。

## **11.5 Number of Employees 员工人数**

The qualifications and number of employees shall be determined in accordance with the operational needs of the Company determined by the Board.

员工的资格和人数应由董事会根据公司经营需要确定。

## **11.6 Labour Union 工会**

The Company shall comply with the Applicable Law with regard to labour union activities.

公司应遵守有关工会活动的适用法律。

## ARTICLE 12 – FINANCIAL AND ACCOUNTING

### 第12条 – 财务和会计

#### 12.1 Financial Control Procedures 财务管理程序

- (a) The CFO of the Company shall be responsible for the financial management of the Company.

公司财务总监应负责公司的财务管理。

- (b) The Company shall adopt Renminbi as its bookkeeping base currency in accordance with the Applicable Laws.

公司应根据适用法律使用人民币作为记账本位币。

- (c) The Company shall adopt the calendar year as its fiscal year, which shall begin on 1 January and end on 31 December of the same year.

公司财务年度应采用公历年制，从1月1日开始直至当年12月31日结束。

- (d) All accounting records, vouchers, books and statements of the Company shall be made and kept in Chinese in accordance with the Applicable Laws.

公司的所有会计记录、凭证、账簿和报表均应根据适用法律以中文编制和保存。

- (e) The Company shall retain a qualified and reputable accounting firm registered in the PRC to audit, and to examine and verify the annual financial reports of the Company and other financial documents as required. The audited financial reports shall be provided to the Shareholders' Meeting within three (3) months after the end of the fiscal year.

公司应聘请在中国注册的、声誉良好的合格会计师事务所审计、审查和审核公司的年度财务报告及其他所需财务文件。经审计的财务报告应在财务年度结束后三（3）个月内提交股东会。

- (f) The Company shall submit to the Parties an annual financial report (in Chinese and English) (which shall include a statement of change in financial position, an audited profit and loss statement and a balance sheet for the fiscal year) prepared in accordance with generally accepted accounting practices in the PRC as well as the relevant laws and regulations of the PRC within three (3) months after the end of the fiscal year, together with an audit report from the Company's auditor.

公司应在财务年度结束后三（3）个月内，向双方提供根据中国境内公认会计准则及中国相关法律法规编制的年度财务报告（中文和英文）（应包括财务状况变化说明、经审计的该财务年度损益表和资产负债表）以及公司审计师出具的审计报告。

- (g) The Company shall furnish to the Parties financial reports (in Chinese and English) prepared in accordance with generally accepted accounting practices in the PRC as well as the relevant laws and regulations of the PRC on at least a monthly basis or as required by the law so that the Parties may, with such

financial reports, be timely informed about the Company's performance. Such financial reports shall include:

公司应向双方提供根据中国境内公认会计准则及中国相关法律法规编制的财务报告（中文和英文），至少每月一次或者依据法律规定，以便双方可以及时了解公司业绩。所述财务报告应包括：

- (i) **monthly profit and loss accounts, balance sheet and cash flow;**  
每月的损益账目、资产负债表和现金流；
  - (ii) **details of transactions between the Parties and the Company;**  
双方与公司之间的交易细节；
  - (iii) **tax and treasury information;**  
税费和财务信息；
  - (iv) **statutory accounts and monthly management accounts;**  
法定账目和每月管理账目；
  - (v) **audit reports and papers;**  
审计报告和文件；
  - (vi) **trial balance at the account level detail;**  
账户试算平衡表；
  - (vii) **existing internal management report; and**  
现有内部管理报告；以及
  - (viii) **key performance indicators used to manage the business, including but not limited to number of units shipped, units returned, receipts, order entry call volumes, customer service call volumes, gross orders, average selling price per unit, average order value, active customer count, new customers, repeat buying report, revenue by product category, revenue by landed region, revenues generated by different platforms such as internet.**  
  
用于管理业务的关键绩效指标，包括但不限于发货数量、退货数量、收据、订单录入呼叫量、客户服务呼叫量、总订单、平均单价、平均订单价值、活跃客户数、新客户、重复购买报告、按产品类别划分的收入、按地区划分的收入、不同平台（例如互联网）产生的收入。
- (h) **All accounts and records of the Company shall be open for inspection by each of the Parties or by their duly authorised representatives during regular business hours.**

公司的所有账目和记录均应在正常营业时间内开放给每一方或其正式授权代表查看。

## **12.2 Bank Accounts and Foreign Exchange Control 银行账户和外汇管制**

- (a) The Company shall open foreign exchange and Renminbi accounts at banks within the PRC authorised and approved by the Chinese foreign exchange authorities to conduct foreign exchange operations. The Company may, with approval of the relevant Government Authorities, also open foreign exchange accounts outside the PRC.

公司应在中国外汇管理部门授权和批准的中国境内银行开立外汇和人民币账户，从事外汇业务。经有关政府部门批准，公司还可以在中国境外开立外汇账户。

- (b) The Company's foreign exchange transactions shall be handled in accordance with the relevant Chinese regulations relating to foreign exchange control.

公司的外汇交易应根据有关外汇管制的中国法规进行。

## **12.3 Profits Distribution 利润分配**

- (a) After the payment of taxes by the Company, the Board shall determine the annual allocations from after-tax net profits to the Reserve Fund and Expansion Fund of the Company and the Bonus and Welfare Fund for the workers and staff members (if applicable) in accordance with Applicable Law.

公司缴付税费后，董事会应根据适用法律确定从税后净利润中提取的当年法定公积金和任意公积金以及职工奖金和福利基金（如适用）。

- (b) The Parties agree that SAIC is entitled to receive 51.5% of distributable dividends of the Company, and POET shall receive 48.5%.

双方约定，SAIC 有权取得公司可分配红利的 51.5%，POET 应取得 48.5%。

## **ARTICLE 13– TAXATION AND INSURANCE**

### **第13条 – 税费和保险**

#### **13.1 Income Tax and Other Taxes 所得税和其他税费**

- (a) The Company shall pay tax under the relevant tax laws of the PRC and the local tax regulations applicable to the Company, subject to any further tax holidays, waivers, exemptions, or exclusions that are available to and are granted to the Company by any local, regional or national tax authorities.

公司应支付中国相关税法及适用于公司的地方税务条例中规定的税费，可享受任何地方、地区或国家税务部门给予公司的任何进一步免税期、税费减免或免税项。

- (b) The employees of the Company shall pay tax on their individual incomes in accordance with the relevant provisions of the tax laws of the PRC.

公司员工应根据中国税法的相关规定缴纳个人所得税。

- (c) The Company shall apply for and be entitled to all preferential treatment in accordance with the Applicable Law and related regulations and rules. The tax liability of the Company, the Parties and their employees, as appropriate, shall be handled in accordance with the preferential tax treatment as provided in the relevant laws and regulations.

公司应根据适用法律和相关条例规章申请且有权享有所有优惠待遇。公司、双方及其员工（如适用）的纳税义务应根据相关法律法规中规定的税收优惠待遇处理。

### **13.2 Insurance 保险**

The Board shall cause the Company to purchase adequate insurance to cover risks which meet the insurance requirements of the Applicable Law, including, without limitation, a general liability policy and a directors' and officers' insurance policy. All insurance against loss or damage to the property of the Company shall be in such amounts as are consistent with the levels of insurance customarily maintained by similar joint venture enterprises within China and shall be taken out on commercially reasonable terms and conditions. The taking out of an insurance policy, the value and period etc. of the insurance shall be examined and determined by the Board in accordance with the needs of the Company. The insurance shall be purchased from highly rated insurance companies which are licensed to operate in China, and SAIC and POET shall be named as additional beneficiaries thereunder.

董事会应促使公司购买充足保险以应对风险，满足适用法律中的保险要求，包括但不限于综合责任险和董事高管责任险。为防公司财产损失或损害而购买的所有保险应按照商业上合理的条款和条件投保，保额同中国境内类似合资公司通常投保的金额一样。投保及保险价值、保险期间等应由董事会根据公司需要审查决定。保险应向在中国境内持有保险业务经营牌照的高信用评级保险公司购买，并将 SAIC 和 POET 列为相关保险的补充受益人。

## **ARTICLE 14 – PUBLICITY AND CONFIDENTIALITY**

### **第14条 – 公开和保密**

#### **14.1 Publicity 公开**

Each Party shall refrain from making any public announcement about the subject matter of this Contract or regarding the Company or any of its business and operating plans from time to time, whether in the form of a press release or otherwise, without first consulting with the other Party and obtaining the other Party's written consent to make such announcement, subject to the terms of this Article 14.

未与另一方提前协商且未取得另一方书面同意的情况下，每一方不得时常就本合同标的、公司或其业务和经营计划发布任何公告，无论以新闻稿或其他形式，须依循本第14条。

#### **14.2 Confidentiality 保密**

The terms and conditions of this Contract, any term sheet or memorandum of understanding entered into pursuant to the transactions contemplated hereby, all Schedules attached thereto, and the transactions contemplated hereby and thereby

(collectively, the “**Transaction Terms**”), including their existence, shall be considered confidential information and shall not be disclosed by either Party hereto to any Third Party during and after the Term and whether or not such Party continues to be a party to this Contract, except as permitted in accordance with the provisions set forth below.

本合同的条款和条件、根据本合同中拟议交易订立的任何条款清单或谅解备忘录及其所附时间表、本合同及该等条款清单或谅解备忘录中拟议的交易（统称“**交易条款**”），包括其存在，均应被视为保密信息，任何一方（且无论该方是否仍旧为本合同的一方）在期限内和期限后均不应向任何第三方披露，除非符合以下规定中允许的情形：

- (a) **Permitted Disclosures.** Notwithstanding the foregoing, either Party may disclose (i) the existence of the investment without disclosing the Transaction Terms to its employees, bankers, lenders, accountants, legal counsels and business partners; and (ii) the Transaction Terms to (A) its Affiliates, and (B) to its employees, bankers, lenders, accountants and legal counsels on a need to know basis and, with regard to item B, in each case only where such persons or entities are under appropriate nondisclosure obligations substantially similar to those set forth in this Article 14. Either Party hereto may also provide disclosure in order to comply with the Applicable Law, as set forth in Article 14.2(b), below.

获准的披露。虽有上文规定，任何一方可(i)向其雇员、银行、贷方、会计师、法律顾问和业务伙伴披露投资的存在，但不得披露交易条款；(ii)向(A)其关联方和(B)其雇员、银行、贷方、会计师和法律顾问披露需要知晓的交易条款，前提是(B)项中所列人员或实体承担与本第 14 条基本类似的适当保密义务。本合同任何一方亦可根据下文第 14.2(b)条的规定作出披露，以遵守适用法律。

- (b) **Legally Required Disclosure.** In the event that either Party is requested or is or becomes legally compelled (including, pursuant to any applicable tax, securities, stock exchange rules or regulations or other laws and regulations of any jurisdiction) to disclose the existence of this Contract or content of any of the Transaction Terms, such party (the “**Disclosing Party**”) shall provide the other Party with prompt written notice of that fact. At the request of the other Party, the Disclosing Party shall, to the extent reasonably possible and with the cooperation and commercially reasonable efforts of the other Party, seek a protective order, confidential treatment or other appropriate remedy. In any event, the Disclosing Party shall furnish only that portion of the information that is legally required and shall exercise commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information.

法律要求的披露。若任何一方被要求或依法被强制（包括根据任何司法辖区的任何适用税务、证券、股票交易规章或条例或者其他法律法规）披露本合同的存在或任何交易条款的内容，该方（“**披露方**”）应及时以书面形式通知另一方。应另一方请求，在另一方配合并尽商业上合理之努力的情况下，披露方应在合理可能的范围内寻求保护令、保密处理或其他适当救济。在任何情形下，披露方均应只提供法律要求的部分信息，尽商业上合理的努力，取得对所涉信息进行保密处理的可靠保证。

**Other Exceptions.** Notwithstanding any other provision of this Article 14, the confidentiality obligations of the Parties shall not apply to: (1) information which a restricted Party learns from a Third Party having the right to make the

disclosure, provided the restricted Party complies with any restrictions imposed by the Third Party; (ii) information which is rightfully in the restricted Party's possession prior to the time of disclosure by the protected Party and not acquired by the restricted Party under a confidentiality obligation; or (iii) information which enters the public domain without breach of confidentiality by the restricted Party.

其他例外。虽有本第 14 条的任何其他规定，双方的保密义务不应适用于：(i) 受限制一方通过有权披露的第三方获取的信息，但受限制的一方须遵守该第三方应遵守的任何限制；(ii) 在受保护一方作出披露之前，受限制一方已合法取得且不受保密义务约束的信息；(iii) 进入公共领域的信息，且受限制一方没有违反保密义务。

## **ARTICLE 15 – JOINT VENTURE TERM**

### **第15条 – 合资期间**

#### **15.1 Term 期间**

The Term shall commence on the Establishment Date and shall continue for [twenty] ([20]) years] unless extended pursuant to Article 15.2.

期间应自成立日开始起算，持续二十（20）年，除非根据第 15.2 条延长。

#### **15.2 Extension of the Term 延期**

If the Parties agree to extend the Term, an application for such extension shall be submitted to the Filing Authorities no less than six (6) months prior to the expiration of the Term.

若双方约定延期，应在期间届满前不少于六（6）个月向备案机构递交延期申请。

#### **15.3 Failure to Agree on Extension 未约定延期**

In the event the Parties fail to reach agreement on the extension of the Term, then upon expiration of the Term as set out in Article 15.1, the relevant provisions of Article 16 shall apply.

若双方未就延长期间达成一致的，当第 15.1 条规定的期间届满时，应适用第 16 条的相关规定。

## **ARTICLE 16– TERMINATION, BUY-OUT, AND LIQUIDATION**

### **第16条 – 终止、收购和清算**

#### **16.1 Termination 终止**

(a) This Contract shall terminate upon the expiration of the Term set forth in Article 15.1 unless extended pursuant to Article 15.2.



本合同应在第 15.1 条规定的期间届满时终止，除非按照第 15.2 条的规定延期。

- (b) This Contract may be terminated at any time by the written agreement of the Parties.

经双方书面约定，本合同可随时终止。

- (c) This Contract may be terminated by the written notice of a Party to the other Party of an intention to terminate this Contract, followed by a unanimous vote of the Shareholders' Meeting to terminate this Contract pursuant to the procedure set forth in paragraph (d) below, if:

若有以下情形，一方按照下文(d)款规定的程序经股东会一致表决终止本合同的，在将其终止本合同的意图以书面形式通知另一方后，可终止本合同：

- (i) a Party materially breaches this Contract or any of the Ancillary Agreements or violates the Articles of Association, and such breach or violation is not cured within sixty (60) days of written notice to the breaching Party;

另一方严重违反本合同、任何附属协议或公司章程，且未能在守约方发出书面通知后六十（60）天内予以补救；

- (ii) the Company becomes bankrupt, or is the subject of proceedings for liquidation or dissolution, ceases to carry on business or becomes unable to pay its debts as they come due;

公司破产、成为清算或解散程序的主体、停止营业或者无力偿还到期债务；

- (iii) a Party transfers its share of the registered capital in the Company in violation of the provisions of this Contract;

另一方违反本合同规定，转让其在公司注册资本中持有的股份；

- (iv) all or any part of the assets of the Company are taken from the Company or expropriated by any Government Authority and the operation of the Company is materially affected as a result thereof;

公司的全部或部分资产被剥离或被政府部门没收，严重影响公司经营；

- (v) the conditions or consequences of Force Majeure (as hereinafter defined in Article 19.1) significantly interfere with the normal functioning of the Company and the Parties have been unable to find an equitable solution pursuant to Article 19.1 hereof for a period in excess of three (3) months;

不可抗力（定义见第 19.1 条）情形或其后果严重影响公司的正常运营，且双方超过三（3）个月仍无法根据本合同第 19.1 条达成公平的解决方案；

- (vi) if the conditions are fulfilled for a termination due to a Deadlock situation under Article 9.1 (g);

符合第 9.1(g)条规定的因僵局而导致终止的条件；或者

(vii) any other reasons for termination stipulated in this Contract arise.

发生本合同中规定的其他终止事由。

- (d) In the event that either Party gives notice where it is entitled to do so pursuant to Article 16.1(c) hereof of a desire to terminate this Contract, the Parties shall within a period of thirty (30) days after such notice is given conduct negotiations and endeavour to resolve the situation which resulted in the giving of such notice. In the event that matters are not resolved to the satisfaction of the Parties within another thirty (30) days of such notice or the non-notifying Party definitely refuses to commence negotiations within the period stated above, each Party shall vote in the Shareholders' Meeting to terminate this Contract, and the Board shall submit a termination application to the Filing Authorities.

若任何一方行使本合同第 16.1(c)条规定的通知权，意图终止本合同，双方应在通知发出后三十（30）天内进行磋商，尽力解决导致发出该通知的情形。若无法在通知后三十（30）天解决该情形让双方满意，或者收到通知的一方坚决拒绝在上述期限内进行磋商，各股东应在股东大会上就终止本合同进行表决，董事会应向备案机构递交终止申请。

- (e) For the purpose of this Article 16, the “date of termination” shall be (i) the date of expiration of the Term, if the termination is effected pursuant to paragraph (a) above; (ii) the date of the written agreement of the Parties, if the termination is effected pursuant to paragraph (b) above; or (iii) the date that the Board votes to terminate this Contract, if the termination is effected pursuant to paragraph (c) above.

在本第 16 条中，“终止日”应是指(i)期间届满之日，若终止根据上文(a)款生效；(ii)双方达成书面协议之日，若终止根据上文(b)款生效；或者(iii)董事会表决通过终止本合同之日；若终止根据上文(c)款生效。

## 16.2 Buy-Out 收购

- (a) In the event that this Contract is terminated as a consequence of material breach by either Party in accordance with Article 16.1(c)(i), then the non-breaching Party, or Affiliates or Third Parties designated by the non-breaching Party, shall have the option (the "**Option**") to purchase the equity interest (the "**Equity Interest**") of the breaching Party in the Company at a price equal to Fair Value (as defined below). Such option may be exercised by the non-breaching Party in writing within sixty (60) days after the determination of the value of the Company.

若本合同因任何一方实质违约根据第 16.1(c)(i)条被终止，则守约方或其指定的关联方或第三方应有权（“**选择权**”）按照公允价值（定义见下文）收购违约方在公司持有的股权（“**股权**”）。守约方可在公司价值确定后六十（60）天内以书面形式行使选择权。

- (b) The value of the Equity Interest for the purposes of Article 16.2 shall be determined as follows:

在第 16.2 条中，股权的价值应按以下方式确定：

- (i) The determination of “**Fair Value**” shall be the price which an Independent Expert (as defined below) shall certify to be in its opinion the fair market value of the Equity Interest. The Parties shall promptly provide all information and assistance reasonably requested by the Independent Expert, and the Company shall provide the Independent Expert access to all of its officers, employees, information, records, and facilities as requested by the Independent Expert from time to time in the course of its valuation. In arriving at its opinion, the Independent Expert shall value the Equity Interest on the following bases:

“公允价值”应是独立专家（定义见下文）证明其认为股权应具有的公允市场价值。双方应及时提供独立专家合理请求的所有信息和协助，公司应允许独立专家接触、查阅和进入其在评估期间不时要求的公司所有管理人员、雇员、信息、记录和设施。独立专家应基于以下因素对股权进行评估，得出自己的意见：

- (A) the sale is between a willing buyer and a willing seller on the open market;

公开市场上诚意买方和诚意卖方之间的销售；

- (B) the sale is taking place on the date of material breach by either Party in the event of a sale pursuant to this Article 16.2;

在任何一方实质违约之日根据第 16.2 条进行的销售；

- (C) if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so;

若公司继续经营业务，假设公司应继续经营；

- (D) the Equity Interest is sold free of all liens; and

股权在出售时没有留置权；以及

- (E) any other factors that the Independent Expert should take into account when making a reasonable valuation.

独立专家在进行合理评估时应当考虑的其他因素。

- (ii) For this purpose, “**Independent Expert**” means one of PricewaterhouseCoopers, KPMG, Deloitte, Ernst & Young, Grant Thornton or BDO, or one of their respective PRC subsidiaries (collectively, the “**Eligible Accounting Firms**”), appointed upon the written agreement of each of the Parties. In the event that the Parties are unable to agree on the Independent Expert within 10 days of the date of exercising the option, SAIC shall select the Independent Expert from among a list of three Eligible Accounting Firms proposed by POET. The Independent Expert shall be engaged to issue a certificate to both Parties specifying the Fair Value as soon as practicable but in any event within thirty (30) days of its appointment. Any valuation by the Independent Expert is conclusive and binding on the Parties in the absence of manifest error. The Independent Expert is appointed as an expert, not as an arbitrator. The costs of the Independent Expert shall

be borne by the Company. The Company shall promptly pay any retainer, costs on account, and other fees and amounts on the terms and conditions set out in the engagement documents for the Independent Expert selected pursuant to this paragraph.

在本条中，“独立专家”是指普华永道、毕马威、德勤、安永、致同或德豪之一，或其各自的中国子公司（统称“合格会计师事务所”），由双方以书面协议形式指定。若双方无法在选择权行使之日起十（10）天内就独立专家达成一致，SAIC应从POET列出的三个合格会计师事务所中挑选独立专家。独立专家应尽快（无论如何不晚于其被任命后三十（30）天）出具公允价值证明给双方。独立专家的评估只要没有明显错误，即具有决定性且对双方均有约束力。独立专家只是专家，不是仲裁员。聘请独立专家的费用应由公司承担。公司应依据聘请按本条规定挑选的独立专家的相关文件之条款和条件及时支付预付款、成本支出及其他费用款项。

- (c) If a Party (the “**Purchasing Party**”) fails to exercise the Option within the time stipulated above or notifies the other Party (the “**Selling Party**”) in writing that it will not exercise the Option, the Selling Party, or Affiliates or Third Parties designated by the Selling Party, shall have the option to purchase the Equity Interest of the Purchasing Party at a price equal to the value of the Equity Interest determined in accordance with Article 16.2(b). Such option may be exercised by the Selling Party in writing within thirty (30) days after the waiver of option by the Purchasing Party.

若一方（“**买方**”）未在上文规定期限内行使选择权或者以书面形式告知另一方（“**卖方**”）其不行使选择权，则卖方或其指定的关联方或第三方应有权按照根据第 16.2(b)条确定的股权价值收购买方的股权。卖方可在买方放弃选择权后三十（30）天内以书面形式行使选择权。

- (d) Until such time as the sale of the interest a Party in the Company to the other Party is completed, the Company shall, to the fullest extent possible, maintain the conduct of its business in the ordinary course of its business.

公司应尽可能维持正常经营，直至一方将其在公司持有的权益出售给另一方。

### 16.3 Liquidation 清算

- (a) In the event that this Contract is terminated pursuant to Article 16.1 hereof, and no Party purchases the other Party’s interest in the Company in the manner set forth in Article 16.2 hereof and the Parties do not agree on a sale of the Company to a Third Party, then the Board shall have the right to, upon the approval of Shareholders’ Meeting, appoint a liquidation committee within a period of ten (10) days which shall have the power to represent the Company in all legal matters. The liquidation committee shall value and liquidate the Company’s assets in accordance with the Applicable Law and the principles set out therein.

若根据 16.1 条终止本合同，任何一方均没有根据本合同第 16.2 条收购另一方在公司持有的权益，并且双方未就将公司出售给第三方达成一致的，经股东会批准，董事会有权在十（10）天内任命清算委员会，该委员会有权代表公司处理所有法律事务。清算委员会应依照适用法律及其中确立的法律原则对公司资产进行评估和清算。

- (b) The liquidation committee shall consist of five (5) members. The number of members that shall be appointed by a Party shall be equivalent to the number of directors of the Board that such Party appointed to the Board at that time. Members of the liquidation committee may, but need not be, Board directors, Management Office members or Key Employees. Subject to compliance with the Applicable Law, either Party may also appoint professional advisors to be members of or assist the liquidation committee. The Board shall report the formation of the liquidation committee to any government entity required under the Applicable Law.

清算委员会应由五（5）名成员组成，一方任命的成员人数应等于该方当时任命的董事人数。清算委员会成员可（但无需）是董事、管理层成员或核心员工。在遵守适用法律的前提下，任何一方还可任命专业顾问担任清算委员会成员或协助清算委员。清算委员会的成立应由董事会根据适用法律的规定向任何政府主体报告。

- (c) The liquidation committee shall conduct a thorough examination of the Company's assets and liabilities, on the basis of which it shall, in accordance with the relevant provisions of this Contract, develop a liquidation plan which, if approved by the Board, shall be executed under the liquidation committee's supervision.

清算委员会应对公司的资产和负债进行全面彻底清查，并在此基础上，根据本合同的有关规定，制定清算计划，经董事会批准后，在清算委员会的监督下执行。

- (d) In developing and executing the liquidation plan, the liquidation committee shall use every effort to obtain the highest possible price for the Company's assets.

清算委员会在制定和执行清算计划时，应尽一切努力使公司资产实现价值最大化。

- (e) In the event of a liquidation of the Company, SAIC shall have preferred rights to receive proceeds from such liquidation up to an amount equal to its invested capital (plus an annual return on investment of eight percent (8%)) as well as all its additional costs and expenses from the available assets of the Company.

若公司清算，SAIC 有权优先通过清算取得收益，金额不超过其投资（加上百分之八（8%）的年投资回报率）以及公司可用资产的所有其他费用和支出。

- (f) The liquidation expenses, including remuneration to members and advisors to the liquidation committee, shall be paid out of the Company's assets in priority to the claims of other creditors.

清算费用，包括清算委员会成员和顾问的薪酬，应在公司资产中较其他债权人主张的债权优先支付。

- (g) After the liquidation and division of the Company's assets and the settlement of all of its debts, the balance shall be paid over to the Parties in proportion to their respective shares of the registered capital of the Company.

公司资产清算、分割并清偿全部债务后，余额应按照双方各自在公司注册资本中的出资比例支付给每一方。

- (h) On completion of all liquidation procedures, the liquidation committee shall complete all other formalities required under the Applicable Law for nullifying the Company's registration. Each Party shall have a right to obtain copies of all the Company's accounting books and other documents at their own expense, but the originals thereof shall be left in the care of SAIC.

清算委员会完成所有清算手续后，应完成适用法律规定的所有其他公司注销手续。每一方均有权自费获取公司账簿及其他文件的复印件/副本，但原件应由 SAIC 保管。

#### **16.4 Effect of Termination 终止效力**

If this Contract is terminated pursuant to Article 16.1 hereof, this Contract shall forthwith become null and void, and there shall be no further liability or obligation on the Parties; provided, however, that this Article 16 and Articles 1, 2, 14, 17, 18, 20 and 21, shall survive the termination of this Contract.

若根据本合同第 16.1 条终止本合同，本合同应立即自始无效，双方不再承担责任或义务，但本合同第 16 条和第 1、2、14、17、18、20 和 21 条在本合同终止后继续有效。

### **ARTICLE 17 – NON-COMPETITION, NON-SOLICITATION AND EXPANSION**

#### **第17条 – 竞业禁止、招揽禁止和扩张**

##### **17.1 Non-Competition 竞业禁止**

- (a) During the Term of the Company, neither Party nor any of its Affiliates shall, directly or indirectly, either alone or in conjunction with a third party, have any interest in, own, manage, operate, control, be connected with as a stockholder (other than as a stockholder of less than two percent (2%) of the issued and outstanding stock of a Company whose stock is listed on a national securities exchange), joint venturer, officer, director, partner, employee or consultant, or otherwise advise, engage, be interested in, or invest or participate in any Competing Business in the China Territory.

在公司期间内，任何一方或其关联方不应直接或间接、单独或与第三方共同对中国地区境内的任何竞争业务享有利益，拥有、管理、经营或控制该等竞争业务，以股东（不含持有在国家证券交易所上市之公司的百分之二（2%）以下已发行流通股份）、合资方、管理人员、董事、合作伙伴、员工或顾问身份与该等竞争业务产生关联，或者以其他方式咨询、从事、接洽、投资或参与该等竞争业务。

- (b) Following a winding up of the Company, either Party may engage in the Competing Business. However, if either POET or SAIC either sell or give up their interest in the Company, then that Party will be barred from any Competing Business for a period five (5) years from the time of that Party's departure.

公司停业后，任何方可从事竞争业务。若 POET 或 SAIC 出售或放弃其对公司享有的利益，该方在退出后五（5）年内不得从事任何竞争业务。

## 17.2 Non-Solicitation 招揽禁止

Each Party hereby agrees that it and its Affiliates will not, without the express prior written consent of the other Party, directly or indirectly solicit for employment or employ any person who is now employed by the Company, the other Party or any of the other Party's Affiliates during the Term of the Company and for a period of five (5) years thereafter of the Company is being continued by one the other Party after the exit of the soliciting Party.

每一方在此同意，未经另一方事先明确书面同意，在公司期间内以及招揽方退出后另一方继续经营公司的五（5）年内，各方及其关联方不得直接或间接招揽或雇用任何当前受雇于公司、另一方或另一方之任何关联方的员工。

## ARTICLE 18 – BREACH OF CONTRACT

### 第18条 – 合同违约

If a Party fails to perform any of its obligations under this Contract or if a Party's representation or warranty under this Contract is untrue or materially inaccurate, such Party shall be deemed to have breached this Contract. The Party in breach shall have thirty (30) days from receipt of notice from the other Party specifying the breach to cure such breach. If, after such thirty (30) day period, the breach is not cured to the reasonable satisfaction of the non-breaching Party, then the Party in breach shall be liable to the other Party for all direct and foreseeable damages. Termination of this Contract by either Party under Article 16.1 shall not exclude or affect in any way that Party's right to damages or any other remedy whether under this Article 18 or otherwise. The failure of either Party to achieve each agreed Milestone within a three-to-six -month grace period shall be considered cause for the other Party to give notice under this clause.

若一方未履行其在本合同项下的任何义务，或一方在本合同项下的陈述或保证不真实或实质上不准确，该方应被视为合同违约。违约方应在收到另一方指明违约行为的通知后三十（30）天内纠正该违约行为。若在三十（30）天期限届满后，违约行为未被纠正至守约方合理满意的程度，则违约方应向另一方承担所有直接和可预见的损害。任何一方根据第 16.1 条终止本合同的，不应以任何方式排除或影响该方根据第 18 条或其他规定获得损害赔偿或任何其他救济的权利。任何一方未在三到六个月宽限期内完成各项约定重要事件的，应被视为构成另一方根据本条规定发出违约通知的事由。

## ARTICLE 19 – FORCE MAJEURE

### 第19条 – 不可抗力

#### 19.1 Force Majeure 不可抗力

- (a) “**Force Majeure**” shall mean all events which are beyond the reasonable control of a Party to this Contract and which are unforeseen, or if foreseen, reasonably unavoidable, which arise after the date of the signature of this Contract and which prevent total or partial performance of this Contract by such Party. Such events shall include, without limitation, earthquake, typhoon, flood, fire, war, threat of war, blockade, embargo, act of vandalism, lightning, storm, wind, tidal wave, epidemics, strikes and any other events which cannot

be foreseen, prevented or controlled, including events which are recognised as Force Majeure in general international commercial practice.

“不可抗力”是指超出本合同一方合理控制范围，且在本合同签署之日后发生的不可预见的或者可预见但在合理范围内不可避免的、妨碍该方全部或部分履行本合同的所有事件。此类事件应包括但不限于地震、台风、洪水、火灾、战争、战争威胁、封锁、禁运、破坏行为、闪电、风暴、大风、海啸、流行病、罢工及任何其他无法预见、预防或控制的事件，包括一般国际商业惯例中被认定为不可抗力的事件。

- (b) If a Party is aware of the likelihood of a situation constituting Force Majeure arising, or is claiming Force Majeure, it shall notify the other Party in writing forthwith of the same, the cause and extent of non-performance or likely non-performance occasioned thereby, the date or likely date of commencement thereof and the means proposed to be adopted to remedy or abate the Force Majeure; and the Parties shall without prejudice to the other provisions of this Article 19 consult each other with a view to taking such steps as may be appropriate to prevent and/or mitigate the effects of such Force Majeure.

若一方意识到可能发生构成不可抗力情形，或声称发生不可抗力，应立即以书面形式通知另一方，说明不履行或由此引起的可能不履行的原因和程度、起始日期或可能的起始日期以及建议采取的补救或减轻不可抗力的措施；在不影响第 19 条其他规定的情况下，双方应相互协商，采取适当措施防止和/或减轻此类不可抗力的影响。

- (c) Either Party affected shall be excused performance of its obligations under or pursuant to this Contract (except for obligations under Article 14) to the extent and for such time period that performance of such obligations is delayed, hindered or prevented by such Force Majeure. A Force Majeure may excuse a delay in making any payment due hereunder where the delay in payment was caused by the Force Majeure, but otherwise the Parties shall continue to make payments due hereunder.

受影响的任何一方因不可抗力延迟、被妨碍或被阻止履行其在本合同项下或依据本合同应承担之义务的（第 14 条规定的义务除外），应在受影响范围内、在受影响期间被免于履行该等义务。若本合同项下的付款延迟是由不可抗力造成的，可免除延迟付款的责任，否则双方应继续支付本合同项下的款项。

- (d) Either Party subject to Force Majeure shall:

受不可抗力影响的任何一方应：

- (i) resume performance immediately after termination of the Force Majeure or the Force Majeure has abated to an extent which permits resumption of such performance;

在不可抗力结束或减轻到允许恢复履行的程度后立即恢复履行；

- (ii) notify the other Party within 3 days after the Force Majeure has terminated or abated to an extent which permits resumption of performance to occur; and



在不可抗力结束或减轻到允许恢复履行本合同的程度后三（3）天内通知另一方；以及

- (iii) keep the other Party regularly informed during the cause of the Force Majeure as to when resumption of performance shall or is likely to occur.

在不可抗力期间内，定期告知另一方恢复履行或可能恢复履行的时间。

- (e) If the Parties are unable to agree that an event of Force Majeure has occurred, the matter shall be handled in accordance with Article 20.

若双方无法就不可抗力事件的发生达成一致，应根据第 20 条的规定处理。

## **ARTICLE 20 – GOVERNING LAW AND SETTLEMENT OF DISPUTES**

### **第20条 – 法律适用和争议解决**

#### **20.1 Governing Law 法律适用**

This Contract shall be governed by and construed in accordance with the laws of the PRC.

本合同应受中国法律管辖并据其解释。

#### **20.2 Arbitration and Dispute Resolution 仲裁和争议解决**

- (a) The Parties hereto will try to resolve any dispute, controversy or claim arising out of or in connection with this Contract through friendly consultations between the Parties. But, if no settlement is reached within twenty (20) days from the date one Party notifies the other Party in writing of its intention to submit the dispute, controversy or claim to arbitration in accordance with this paragraph, then any such dispute, controversy or claim arising out of or relating to this Contract, or the breach, termination or invalidity hereof, shall be finally and exclusively settled by arbitration conducted by the Singapore International Arbitration Center (“SIAC”) in accordance with the Singapore International Arbitration Centre Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these Rules.

本合同双方应通过友好协商解决由本合同引起的或与之相关的任何纠纷、争议或索赔。若在一方以书面行使通知另一方其意欲根据本款规定将该等纠纷、争议或索赔提交仲裁之日起二十（20）天内无法解决该等纠纷、争议或索赔的，则由本合同引起的或与之相关的该等纠纷、争议或索赔或者本合同之违约、终止或无效应由新加坡国际仲裁中心（“SIAC”）按照在依新加坡国际仲裁中心机构仲裁规则递交仲裁通知时有效的前述仲裁规则进行仲裁，仲裁裁决具有终局性和排他性。

- (b) The place of arbitration will be in Singapore at SIAC. The arbitration proceedings will be conducted in English with Chinese translation.

仲裁地点为新加坡的新加坡国际仲裁中心。仲裁程序应以英文进行，并提供中文翻译。

- (c) The arbitration tribunal will consist of three arbitrators. SAIC shall appoint one arbitrator and POET shall appoint one arbitrator. The presiding arbitrator will be nominated by the arbitrators selected by the Parties or, failing which within ten days from SIAC's confirmation of the second arbitrator, be appointed by the SIAC Council.

仲裁庭应由三（3）名仲裁员组成，SAIC 和 POET 应各指定一名仲裁员，首席仲裁员应由双方选定的仲裁员提名，若未能在新加坡国际仲裁中心确认第二名仲裁员后十（10）天内指定，则首席仲裁员应由新加坡国际仲裁中心理事会任命。

- (d) The arbitration award is final and binding on the Parties, and the Parties agree to be bound thereby and to act accordingly. The costs of arbitration and the costs of enforcing the arbitration award (including witness expenses and attorneys' reasonable fees) will be borne by the Party who shall perform obligations or bear the liability of breach under the arbitration award, unless otherwise determined by the arbitration award.

仲裁裁决是终局的，对双方均有约束力，双方同意受其约束并据其行事。仲裁费用和执行仲裁裁决的费用（包括证人费用和律师合理费用）应由依据仲裁裁决履行义务或承担违约责任的一方支付，除非仲裁裁决另有规定。

- (e) In any proceedings under or relating to the arbitration, each Party will cooperate with the other Party in making full disclosure of and providing complete access to all information and documents reasonably requested by the other Party in connection with such arbitration proceeding.

在仲裁程序或相关程序中，每一方均应与另一方合作，充分披露另一方合理请求的与上述仲裁程序相关的所有信息和文件，向另一方提供该等信息和文件的完全访问权。

- (f) Any arbitration award may be enforced by any court having jurisdiction over the Party against which the award has been rendered, or wherever assets of that Party are located.

任何仲裁裁决均可由对被执行方有管辖权的或者被执行方财产所在地的任何法院执行。

- (g) By agreeing to the settlement of any dispute, controversy or claim arising out of or in connection with this Contract, or the breach, termination or invalidity hereof by arbitration, each Party irrevocably waives its right to any form of appeal, review or recourse to any court or other judicial authority, insofar as such waiver may be validly made.

每一方同意通过仲裁解决由本合同引起的或与之相关的任何纠纷、争议或索赔或者本合同之违约、终止或无效，不可撤销地放弃向任何法院或其他司法机构提出任何形式上诉、复审或追索的权利，只要此类放弃是有效的。

### **20.3 Severability 可分性**

If any provision of this Contract is found by an arbitration institution to be invalid, illegal or unenforceable, the validity and enforceability of the remaining provisions hereof shall not be affected by such invalid, illegal or unenforceable provision.

若本合同的任何条款被仲裁机构认定无效、不合法或不可执行，不应影响本合同其余条款的有效性和可执行性。

## ARTICLE 21 – MISCELLANEOUS PROVISIONS

### 第21条 – 其他条款

#### 21.1 Preferential Treatment 优惠待遇

The Company and the Parties shall be entitled according to the Applicable Law to any tax, investment or other benefits or preferences that become available or publicly known before or after the signing of this Contract and which are more favourable than those set forth in this Contract and are effective.

公司和双方有权根据适用法律享受在本合同签订之前或之后出台或公布的比本合同规定更有利的任何有效税费、投资或其他利益或优惠。

#### 21.2 Counterparts 文本

This Contract shall be in English and Chinese and shall be made in any number of original counterparts of each language version. Both language versions of the Contract shall be equally authentic. To the extent that there is any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

本合同应用英文和中文书写，并用每种语言准备任何数量的正本。本合同的两种语言文本应具有相同效力。中英文本有不一致的，应以中文文本为准。

#### 21.3 Entire Agreement 完整协议

This Contract, together with the Articles of Association and the Ancillary Agreements, constitute the entire agreement between the Parties with respect to the subject matter of this Contract and supersede all prior discussions, negotiations and agreements between them. In the event of any conflict between the terms and provisions of this Contract, the Articles of Association and/or any of the Ancillary Agreements, the terms and provisions of this Contract shall prevail.

本合同及公司章程、附属协议构成双方之间就本合同标的达成的完整协议，取代双方之前的所有讨论、磋商和协议。若本合同、公司章程和/或附属协议存在条款规定冲突，应以本合同的条款规定为准。

#### 21.4 Notices 通知

- (a) Any notice or written communication provided for in this Contract by a Party to the other Party shall be made in English and Chinese by courier service delivered letter or by electronic mail followed by courier service delivered letter, promptly transmitted or addressed to the appropriate Party. The date of receipt of a notice or communication hereunder shall be deemed to be seven (7) days after the letter is given to the courier service in the case of a courier service delivered letter and immediately after transmission by electronic mail (provided that such electronic mail is followed by a courier service delivered letter).

一方向另一方发出的本合同中规定的任何通知或书面通信，应用英文和中文书写，通过快递或者先电子邮件后快递的方式及时传输至或寄至另一方。收到本合同规定之通知或通信的时间应为：如系通过快递，应视为在快件交付至快递服务人员后的第七（7）天收悉；如系通过电子邮件，应视为传输完成后立即收悉（但发出电子邮件后还须发送快递）。

- (b) All notices and communications shall be sent to the appropriate address below for each Party, until the same is changed by notice given in writing to the other Party:

所有通知和通信均应发送至每一方的下列适当地址，直至将其地址变更以书面形式通知另一方：

(i)	To SAIC:  Attn/收件人: Jasson Chen
	Address: No.753-799, Min'An Avenue, Hong Tang County, Tong'an District, Xiamen, Fujian 361100, China  地址：厦门市同安区洪塘镇民安大道 753-799 号  Phone/电话: +86-592-6300505  Electronic mail/电子邮箱: jasson_chen@sanan-ic.com

(ii)	To POET:  Attn/收件人: Vivek Rajgarhia
	Address: 120 Eglinton Avenue East, Suite 1107  Toronto ON M4P 1E2  地址：加拿大安大略省多伦多市艾林顿东街 120 号 1107 室  Phone/电话: (416) 368-9411  Fax/传真: (416) 322-5075  Electronic mail/电子邮箱: vivek@poet-technologies.com

*[Remainder of page intentionally left blank]*

[本页以下无正文]

In witness whereof, the Parties hereto have executed this Contract in multiple originals by their duly authorized officers and representatives.

兹证明，本合同双方已由各自的正式授权管理人员和代表签署多份合同正本。

**[signature and chop 签章]**

**[signature and chop 签章]**

**Xiamen San'an Integrated Circuit Co., Ltd.**

**POET Technologies Inc.**

厦门市三安集成电路有限公司

By 签字: \_\_\_\_\_

By 签字: \_\_\_\_\_

Printed Name 姓名（正楷）: \_\_\_\_\_

Printed Name 姓名（正楷）: \_\_\_\_\_

Title 职务: \_\_\_\_\_

Title 职务: \_\_\_\_\_

**SCHEDULE A**

**附件 A**

**Articles of Association**

**公司章程**

**of**

**Super Photonics Xiamen Co., Ltd.**

**厦门超光集成有限公司**

**Date: 21 October 2020**

**日期: 2020 年 10 月 21 日**

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# Articles of Association of Super Photonics Xiamen Co., Ltd.

## 厦门超光集成有限公司公司章程

(Date: 21 October 2020 / 日期: 2020年10月21日)

### ARTICLE 1- GENERAL PROVISIONS

#### 第1条 - 总则

- 1.1** These Articles are formulated in accordance with the Company Law of the PRC, the Foreign Investment Law of the PRC and other applicable laws and regulations of the PRC (collectively, the “**Applicable Laws**”) after friendly consultations conducted by Xiamen San'an Integrated Circuit Co., Ltd. (“**SAIC**”) and POET Technologies Inc. (“**POET**”) as the shareholders of the Company (the “**Shareholders**”) in accordance with the principle of equality and mutual benefit.

本章程是根据《中华人民共和国公司法》、《中华人民共和国外商投资法》以及中华人民共和国其他适用法律法规（统称为“**适用法律**”），基于平等互利的原则，经作为公司的股东（“**股东**”）厦门市三安集成电路有限公司（“**SAIC**”）和 POET Technologies Inc（“**POET**”）友好协商而制定。

- 1.2 Name and Address of the Company and Branches** 公司的名称、地址和分支机构

- (a) The name of the Company is 厦门超光集成有限公司 in Chinese and Super Photonics Xiamen Co., Ltd. in English.

公司的中文名称为厦门超光集成有限公司，英文名称为 Super Photonics Xiamen Co., Ltd.。

- (b) Each Shareholder may request the other Shareholder and the Company to change the Company's name to no longer include any part of the name of the Company which is such Shareholder's identifier under the circumstances below:

在以下情况下，每一位股东可以要求另一位股东和公司更改公司名称，以使公司名称的任何部分不再包含该股东的标识：

- (i) if the shareholding of that Shareholder is reduced from the current shareholding ratio other than through any of the Agreed Capital Increases;

若该股东持有的股份低于当前持股比例，但约定增资除外；

- (ii) if the shareholding of the other Shareholder is reduced from the current shareholding ratio other than through any of the Agreed Capital Increases;

若另一股东持有的股份低于当前持股比例，但约定增资除外；

- (iii) such Shareholder has a termination right under Article 13, whether or not exercised;

该股东享有第 13 条规定的终止权，无论是否行使；

- (iv) in case of violation of this Article 1.2 by the other Shareholder; or

如果另一股东违反第 1.2 条

- (v) under other circumstances set out in the Ancillary Agreement that Shareholder is a party to.

附属协议中约定的股东受约束的其他情形。

- (c) Neither Shareholder nor the Company shall at any time be entitled to use the name or any parts of the name of the other Shareholder unless such Shareholder has given its prior written consent to such use.

股东和公司均不得在任何时间使用另一股东的姓名或任何部分，除非该股东事先书面同意使用该名称。

- (d) The registered address of the Company is 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, China.

公司的注册地址为：中国厦门市同安区洪塘镇民安大道 799 号 6 楼。

- (e) In accordance with its business needs, the Company may establish branch offices, subsidiaries and representative offices inside and outside of the PRC subject to the unanimous resolution of the Shareholders and the completion of all approval, filing and/or registration procedures with the relevant governmental authorities as required under the Applicable Law.

根据业务需要，公司可在中国境内外设立分公司、子公司和代表处，但须经股东一致决议，并按照适用法律的要求，向有关政府部门办理适用法律规定的所有核准、备案和/或登记手续。

### **1.3 Limited Liability Company 有限责任公司**

The form of organisation of the Company shall be a limited liability Company. The Company shall act in its own name and in no case as an agent of either Shareholder. The Company shall refrain from pledging any Shareholder's credit and/or reputation. It shall be independent from the Shareholders and not be burdened by any obligation or liabilities of a Shareholder. Neither Shareholder shall impose any obligation on the Company or bind the Company otherwise towards Third Parties. Neither Shareholder shall have any liability towards the other Shareholder, the Company or any Third Party for any losses by nor any claims against the Company.

公司的组织形式应是有限责任公司。公司应以自己的名义行事，不得作为任何股东的代理人行事。公司不得以任何股东的信用和/或声誉进行担保，应独立于股东，不应承担任何股东的义务或责任。任何股东不得使公司承担任何义务或以其他方式使公司受第三方约束。任何股东不应就公司遭受的任何损失或索赔而对另一股东、公司或任何第三方承担责任。

### **1.4 Laws and Decrees 法律和法规**

The Company shall be a legal person under the Applicable Law. The activities of the Company shall be governed and protected by the Applicable Law.

公司应是适用法律规定的法人，公司的行为应受到适用法律的管辖和保护。

## **1.5 Shareholders of the Company 公司股东**

The Shareholders of the Company are: 公司的股东为:

**SAIC:** Xiamen San'an Integrated Circuit Co., Ltd., an enterprise with limited liability duly formed and validly existing under the laws of the PRC which is owned by San'an Photoelectric Company Limited by Shares (三安光电股份有限公司), a limited liability Company duly formed and validly existing under the laws of China.

厦门市三安集成电路有限公司，是根据中国法律合法设立且有效存续的有限责任公司，股东是三安光电股份有限公司，一间根据中国法律合法设立且有效存续的有限责任公司。

**Legal Representative:** LIN Kechuang (林科闯)

法定代表人：林科闯

**Position:** Chairman of board

职务：董事长

**Nationality:** Chinese

国籍：中国

**POET:** POET Technologies Inc., a publicly listed Company duly formed and validly existing in Canada.

POET Technologies Inc.，是在加拿大合法设立且有效存续的上市公司。

**Legal Representative:** Vivek Rajgarhia

法定代表人：Vivek Rajgarhia

**Position:** President & General Manager

职务：总裁兼总经理

**Nationality:** American

国籍：美国

## ARTICLE 2 – PURPOSE AND BUSINESS SCOPE

### 第 2 条-宗旨和业务范围

#### 2.1 Purpose 宗旨

The Purpose of the Company is to promote the success of the Company and achieve good economic results, not as a mere revenue/profit stream for each Shareholder's components.

公司的目的、宗旨和目标是促使公司成功，取得良好经济效益，不仅仅是为了股东的元件收入/利润来源。

#### 2.2 Scope of Business 经营范围

The business scope of the Company shall be: manufacture of integrated circuits, manufacture of electronic components, design and services of integrated circuit chips, manufacture of integrated circuit chips and products, manufacture of Optical Engines, Photonic Devices, Photonic Integrated Circuits, Optoelectronic Products, Optical Modules, sale of integrated circuits (the “**Business**”). [*Description of the business scope is subject to confirmation by the business registration authority.*]

公司的经营范围应是：集成电路制造，电子元器件制造，集成电路芯片设计及服务，集成电路芯片及产品制造，光学引擎、光子器件、光子集成电路、光电产品、光学模块的制造，集成电路销售（“**业务**”）。【**经营范围的表述有待主管部门确认**】

#### 2.3 Business Planning 业务计划

The operation and management of the Company shall be conducted in accordance with strategic and finance plans agreed between the Shareholders. Any amendments to or deviation from the strategic and finance plans by the Company require the consent of both Shareholders.

公司的经营和管理将按照股东之间达成的战略和财务计划进行。公司对战略和财务计划的任何修改或变更均需获得双方股东的一致同意。

## ARTICLE 3 – TOTAL INVESTMENT AND REGISTERED CAPITAL

### 第 3 条- 投资总额和注册资本

#### 3.1 Total Investment 总投资额

The Company's total amount of investment shall be RMB 471,324,000. (RMB four hundred and seventy-one million three hundred and twenty-four thousand).

公司的投资总额应是人民币 471,324,000 元（人民币肆亿柒仟壹佰叁拾贰万肆仟元）。

#### 3.2 Registered Capital 注册资本

The Company's Registered Capital shall be RMB 158,903,520 (RMB one hundred and fifty-eight million nine hundred and three thousand five hundred and twenty).

公司的注册资本应是人民币 158,903,520 元（人民币壹亿伍仟捌佰玖拾万叁仟伍佰贰拾元）。

### 3.3 Contributions to the Registered Capital and Equity Percentages of the Shareholders 对注册资本的出资和双方的股权比例

- (a) The allocation of the register capital of the Company among the Shareholders is as follows:

各股东对公司注册资本的出资比例为：

Name of Shareholder 股东名称	Capital Contribution (RMB) 出资金额	Shareholding Percentage 持股比例	Form of Capital Contribution 出资方式
SAIC	7,406,520	4.7%	In cash 现金
POET	151,497,000	95.3%	In kind by provision of the IP Assets 知识产权
Total 总计	158,903,520	100%	---

- (b) As its contribution to the Registered Capital, on the condition that (i) Filing Authorities have reviewed and duly approved or accepted, as the case may be, the filing for the establishment of the Company and (ii) the Establishment Date has occurred, Shareholders shall make their respective contributions to the Registered Capital within thirty (30) business days after the Establishment Date.

股东应在成立日后三十（30）天内缴付各自对注册资本的出资额，条件是(i)备案机构审查后正式核准或接受（视情况而定）公司设立申请、合资合同和公司章程，并且(ii)成立日已发生。

- (c) The Shareholders confirm that the maximum aggregate contribution value of the IP Assets is **POTENTIALLY ADVANTAGEOUS TO COMPETITORS** **POTENTIALLY ADVANTAGEOUS TO COMPETITORS** based on the assumption that the IP Assets will have a minimum fair market value equal to such amount, as confirmed by a qualified asset evaluation firm at the time of the contribution.

股东确认知识产权资产出资的总值上限是 **对竞争对手潜在有利内容**

**对竞争对手潜在有利内容** **对竞争对手潜在有利内容** **对竞争对手潜在有利内容**，前提是知识产权资产在缴付出资额时的最低公允价值经合格资产评估机构确认等于该金额。

- (d) If the conditions (i) and (ii) in paragraph (b) above is not fulfilled within ninety (90) days of the effective date of the Joint Venture Contract, and the

Shareholders do not agree in writing to extend such ninety (90) days period, then either Shareholder shall have the right to terminate in writing These Articles, in which case neither Shareholder shall have any right whatsoever to require the other Shareholder to make any contribution to the Registered Capital or to claim any damages from the other Shareholder. In such case the Company shall be dissolved and liquidated as set out in Article 13.

若上文(b)款中的条件(i)和(ii)在生效日期后九十(90)天内未能成就,且股东未能以书面形式约定延长该九十(90)天期限,则任一股东有权以书面形式终止公司章程,在此情形下,任一股东无权要求其他股东缴付对注册资本的出资,亦无权要求其他股东支付任何损害赔偿,公司应依据第13条规定解散结算。

### **3.4 Change of Registered Capital 注册资本的变更**

- (a) The Shareholders may agree to increase the Registered Capital of the Company after consultation between the Shareholders in accordance with the Agreed Capital Increases set forth in Joint Venture Contract.

股东可根据合资合同中规定的约定增资,经股东协商后,增加公司注册资本。

- (b) Any increase in the Registered Capital of the Company requires approval by all Shareholders at a duly convened Shareholders' Meeting and shall be registered with Filing Authorities.

公司注册资本的任何增加,均须经股东会批准,并须在备案机构登记。

- (c) As a general rule, the Company shall not reduce its Registered Capital. If the Shareholders agree that there are sufficient reasons to reduce the Registered Capital, then the reduction must be approved unanimously by the Shareholders of the Company and be submitted to the Filing Authorities for approval, filing and/or registration. Such reduction shall not harm the benefits of creditors of the Company.

一般情况下,公司不应减少注册资本。若股东同意有合理理由需要减少注册资本,减资须经公司股东一致批准,并提交备案机构核准、备案和/或登记。减资不应损害公司债权人的利益。

- (d) In the event that either Shareholder fails to pay its share of any increase in the Company's Registered Capital pursuant to Article 3.4(a), then in addition to any other rights the Company may have against the defaulting Shareholder, the non-defaulting Shareholder shall have the right (but not the obligation) to provide the entire amount or a portion of such increase in the registered capital and, in such case, subject to the completion of the required registration with Filing Authorities, the non-defaulting Shareholder's interest in the Company's registered capital shall be proportionately increased.

如果任一股东未根据第3.4(a)条缴付对任何注册资本增加所占的份额,除了公司可对违约股东享有的任何其他权利,守约股东有权(但没有义务)缴付对注册资本增加的全部出资或部分出资,在此情形下,在向备案机构办理了必要的核准、备案和/或登记手续后,守约方在注册资本中所占的比例应相应提高。

### 3.5 **Encumbrance of Investment** 投资份额的权利负担

No Shareholder shall mortgage, pledge, charge or otherwise encumber all or any part of its share in the Company's registered capital without the prior written consent of the other Shareholder.

未经其他股东事先书面同意，股东不得按揭、质押、抵押或以其他方式为自己在公司注册资本中的全部或部分份额创设权利负担。

## **ARTICLE 4 – ASSIGNMENT OF REGISTERED CAPITAL**

### **第 4 条- 注册资本转让**

#### 4.1 **Prohibition of Assignment** 禁止转让

Neither Shareholder may assign, sell, transfer or otherwise dispose (including for this purpose the creation of any charge or other security interest over such investment) of all or any part of its share in the Registered Capital of the Company or its rights, obligations and benefits under These Articles to a Third Party without the other Shareholder's prior written consent which consent shall not unreasonably withheld.

未经其他股东事先书面同意（该同意不应无理拒绝），任一股东不得向第三方转让、出售、让与或以其他方式处置（在此情形下包括对投资创设任何抵押或其他担保利益）其在公司注册资本中的全部或部分份额或者其公司章程项下的权利、义务和利益。

#### 4.2 **Right of First Refusal** 优先购买权

From the date on which all Agreed Capital Increases are completed neither Shareholder may assign, sell, transfer or otherwise dispose of all or any part of its share in the Registered Capital of the Company or its rights, obligations and benefits under These Articles to a Third Party without the other Shareholder's prior written consent unless it complies fully with the following procedure:

自所有约定增资完成之日起，未经其他股东事先书面同意，任一股东不得将其在公司注册资本中的全部或部分份额或者其公司章程项下的权利、义务和利益转让、出售、让与或以其他方式处置给第三方，除非该股东完成以下程序：

- (a) **Notice.** When one Shareholder (the “**Assigning Shareholder**”) intends to dispose of all or part of its equity interest in the Company (the “**Disposal**”), it shall notify the other Shareholder (the “**Other Shareholder**”) in writing setting forth the purchase price and terms offered by any purchaser (the “**Notice**”).

通知。若任一股东（“**出让方**”）有意处置其持有的全部或部分公司股权（“**处置**”），应以书面形式通知另一股东（“**另一方**”），列明任何收购方提出的收购价格和条款（“**通知**”）。

- (b) **Pre-emptive Rights.** The Other Shareholder shall have the right to purchase the equity interest being disposed of at a price at least equal to that indicated in the Notice, by giving written notice to the Assigning Shareholder within sixty (60) days following the date the Notice was received. Where the terms and conditions offered by the potential purchaser do not provide a purchase price

or provide one which is not payable entirely in cash, then the Other Shareholder shall have the right to purchase the relevant equity interest on the same price and terms as that set forth in the Notice (if any), or at a price equal to Fair Value (as defined in Article 13.2(b)(i) and (ii)) of the Assigning Shareholder's equity interest. The Assigning Shareholder shall have the right to withdraw any Notice and retain its ownership of equity interest in the Company until such time as any applicable purchase agreement in respect thereof is executed.

优先认股权。另一方有权在接到通知后六十（60）天内向出让方发出书面通知，按照不低于通知中所列价格收购被处置股权。潜在收购方提出的条款和条件未列明收购价格或者所列价格不是全部以现金支付的，另一方有权按照通知（如有）中所列相同价格和条款或者按照等于出让方股权之公允价值（定义见第13.2(b)(i)、(ii)条）的价格收购相关股权。出让方有权撤回任何通知，继续持有自己在公司的股权，直至签署任何适用的相关收购协议。

- (c) **Disposition.** If the Other Shareholder does not exercise its pre-emptive rights as aforesaid and it provides written consent to the proposed Disposal, the Assigning Shareholder may assign, sell or otherwise dispose of all or part of its amount of capital contribution to the third party for a purchase price equal or greater to that described in the Notice, provided that the third party undertakes and actually becomes a party to the Joint Venture Contract. The Assigning Shareholder shall notify the Other Shareholder in writing of the terms and conditions of the assignment.

处置行为。若另一方没有行使上述优先认股权且书面同意提议处置，出让方可按不低于通知中所列价格将其全部或部分出资额转让、销售或以其他方式处置给第三方，前提是第三方承诺并实际成为合资合同的一方当事人。出让方应以书面形式将转让条款和条件告知另一方。

- (d) **Agreement.** If a Shareholder transfers its share to a third party, the Assigning Shareholder shall enter into a transfer contract under which the third party agrees to assume in relation to the Other Shareholder the same rights and obligations as exist for the Assigning Shareholder at the signing of the share transfer contract under (i) the Joint Venture Contract and under (ii) other legally valid agreements and contracts between the Shareholders of the Company. The Assigning Shareholder shall provide evidence of said undertaking to the Other Shareholder.

协议。若任一股东将其股份转让给第三方，出让方应签订转让合同。在该合同中，第三方同意自股份转让合同签订之时起对另一方承担与出让方相同的权利和义务，该等权利和义务规定于(i)合资合同以及(ii)以公司股东身份签订的其他依法有效的协议和合同。出让方应向另一方提供承担上述权利和义务的证据。

- (e) **Approval.** Subject to the terms and conditions set forth in this Article, the Shareholders shall consent and cause their directors appointed to the Board to approve any sale, transfer, assignment or other disposal of the shares hereunder provided that (i) the provisions under this Article have been complied with and (ii) the third party presents evidence satisfactory to the Other Shareholder that it is fully capable to fulfil all its obligations resulting from such contracts in all respects and (iii) has legally valid executed the documents and contracts referred to in the foregoing paragraph.



批准。在依循本条所列条款和条件的前提下，股东应同意并促使其指定的董事批准合资合同项下的股份出售、转让、让与其他处置行为，前提是(i)本条规定已被遵守，(ii)第三方证明其完全有能力履行合资合同而承担的全部义务的证据在各方面均使另一方感到满意，并且(iii)上款中提及的文件和合同均已依法签署生效。

#### **4.3 Tag-Along Option 跟售选择权**

If the Disposal by the Assigning Shareholder under Article 4.2 constitutes all or more than fifty percent (50%) of the Assigning Shareholder's equity interest in the Company, then the Other Shareholder shall have a tag-along option and the following provisions shall apply:

若出让方依据第 4.2 条处置的股权达到或超过其持有的公司股权的百分之五十（50%），则另一方应享有跟售选择权，并适用以下规定：

- (a) If the Other Shareholder wishes to exercise its tag-along option, it shall submit an unconditional and irrevocable tag-along notice to the Assigning Shareholder in the agreed form within sixty (60) days from the date of the Notice. If a tag-along notice is not submitted prior to the end of the sixty (60)-day period, the tag-along option shall be deemed to have lapsed.

若另一方想要行使跟售选择权，应在通知之日起六十（60）天内以约定形式向出让方发出无条件且不可撤销的跟售通知书。若跟售通知书未在六十（60）天期限结束之前发出，跟售选择权视为失效。

- (b) If the Other Shareholder exercises its tag-along option, the Assigning Shareholder shall not sell, transfer, assign or otherwise dispose any equity interests to the third party unless the third party, at the same time, purchases the entire equity interests of the Other Shareholder in the Company as specified in the tag-along notice at the same proportionate price and otherwise on the same terms.

若另一方行使跟售选择权，则出让方不得将任何股权出售、转让、让与或以其他方式处置给第三方，除非该第三方同时按照同等适当价格和同等条款收购跟售通知书中列出的另一方持有的全部公司股权。

## **ARTICLE 5 – SHAREHOLDERS' MEETING**

### **第 5 条-股东会**

#### **5.1 Functions and Powers of the Shareholders' Meeting 股东会的职责和权力**

- (a) The Shareholders' Meeting shall consist of both Shareholders, which is the highest authority of the Company.

公司应成立由全体股东组成的股东会。股东会是公司的最高权力机构。

- (b) The Shareholders' Meeting shall exercises the following functions and powers:

股东会行使以下职能：

- (i) **deciding on the business policies, investment plans, R&D plans and technical roadmaps of the Company;**  
决定公司的经营方针、投资计划、研发计划和技术路线图。
- (ii) **appointing and removing the directors and the supervisors, and deciding on matters concerning the remuneration of the directors and the supervisors;**  
任命、罢免董事和监事，决定董事和监事的薪酬事宜；
- (iii) **reviewing and approving the reports of the Board;**  
审议批准董事会报告；
- (iv) **reviewing and approving the reports of the supervisors;**  
审议批准监事报告；
- (v) **reviewing and approving the Company's annual financial budget and final accounting;**  
审议批准公司年度财务预算和决算；
- (vi) **reviewing and approving the Company's profit distribution plans and loss recovery plans;**  
审议批准公司的利润分配方案和亏损弥补方案；
- (vii) **deciding on termination of or major changes to the Business, or commencement of other lines of business by the Company;**  
决定公司终止业务、对业务进行重大调整或开始其他业务；
- (viii) **resolving on increase or reduction of the Registered Capital;**  
决议增加或减少公司注册资本；
- (ix) **resolving on issue of corporate bonds;**  
决议发行公司债券；
- (x) **resolving on merger, division, dissolution, liquidation or change of the form of the Company;**  
决议公司合并、分立、解散、清算或形式变更；
- (xi) **establishing, expanding or closing subsidiaries, branches or representative offices of the Company;**  
开设、扩张或关闭公司的子公司、分公司或代表机构；
- (xii) **recruiting, suspending or terminating an employee on any of the Key Employees, the CEO or the CFO;**

- 聘用、中止聘用或解聘任何核心员工、首席执行官或财务总监；
- (xiii) establishing employee incentive plans, including stock option plans of up to 20% of the Registered Capital;
- 制定员工激励计划，包括高达注册资本 20% 的股票期权计划；
- (xiv) assigning, selling, transferring or otherwise disposing any portion of the share in the Registered Capital by any Shareholder;
- 转让、出售、让与或以其他方式处置注册资本中任一股东的份额；
- (xv) assigning, licensing or otherwise disposing or acquiring Intellectual Property except in the daily course of business and with minor value;
- 转让、许可或以其他方式处置或收购知识产权，日常业务和价值较小的除外；
- (xvi) incurring obligations, liabilities, debts or costs or granting loans of RMB 1,000,000 (RMB 1 million) or more;
- 产生义务、责任、债务或费用或者提供贷款，金额不低于人民币 1,000,000 元（人民币壹佰万元）；
- (xvii) granting any corporate guarantee or surety over assets of the Company;
- 用公司资产提供公司担保或保证；
- (xviii) amending the Articles of Association; and
- 修订公司章程；以及
- (xix) other functions and powers stipulated in the Articles of Association.
- 公司章程中规定的其他职能。

## 5.2 Meetings and Voting Rights 会议和投票权

- (a) The Shareholders may have regular meetings and interim meetings. Regular meetings shall be held at least every three (3) months during the first two (2) years from the Establishment Date, and twice per year thereafter. An interim meeting shall be held where it is proposed by any Shareholder, the Board or all supervisors of the Company.

股东可举行定期会议和临时会议。自成立日起的两（2）年内，定期会议应每三（3）个月举行一次，两年期满后每年举行两次。经任何股东、董事会或公司全体监事提议，应召开临时会议。

- (b) A meeting of Shareholders shall be convened and presided over by the Chairman of the Board. Where the Chairman is unable or fails to perform his duties, any supervisor may convene and preside over the meeting.

股东会应由董事长召集并主持，董事长无法或未能履行职责的，应由任何监事召集并主持。

- (c) The first Shareholders' Meeting shall be held within fifteen (15) days from the Establishment Date. At such first Shareholders' Meeting the Shareholders shall appoint directors and supervisors and transact any other business required for the start of operation of the Company.

第一次股东会应在成立日起十五（15）天内举行。在第一次股东会上，股东应任命董事和监事，处理公司开始运营所需的任何其他业务。

- (d) The Shareholders shall exercise their voting rights in proportion to their equity interests in the Company. Resolutions by the Shareholders shall be adopted at a duly constituted and convened meeting of the Shareholders only upon the unanimous affirmative vote by the Shareholders representing the voting rights present in person, by telephone, by videoconference or by proxy at such meeting.

股东应按各自在公司的持股比例行使表决权。股东会决议应在合法组成和召集的股东会议上，由亲自、通过电话、以视频会议形式或委托代理人出席该次会议的有表决权股东一致赞成表决通过。

- (e) The Shareholders shall use their best effort to reach a common understanding in due time on all matters to be decided by the Shareholders' Meeting as set forth herein. If a decision cannot be reached in good faith within two (2) months after any relevant matter is presented to the shareholders' meeting for the first time ("**Deadlock**"), the matter shall be submitted to the respective senior management of both Shareholders. If the senior management of the Shareholders cannot reach a final decision within thirty (30) days after the relevant matter is presented to the senior management of the Shareholders, the Shareholders shall consult with each other and express their opinion as to sale of the equity interest in the Company in whole by one Shareholder and purchase of such equity interest by the other Shareholder. If a share transfer cannot be agreed within an additional thirty (30) days, either Shareholder may initiate liquidation of the Company pursuant to Article 13.3.

股东应尽力在适当时候就公司章程规定由股东会决定的所有事项达成共识。若任何相关事项在第一次提交股东会两（2）个月不能基于诚信作出决定（“僵局”），该事项应提交双方股东的高管。若相关事项在提交股东高管后三十（30）天内不能作出最终决定，股东应相互协商，就任一股东出售其持有的全部或部分公司股权及另一股东收购该等股权发表各自的意见。若在额外三十（30）天内仍无法就股权转让达成一致，任一股东可终止公司，依据第 13.3 条对公司进行清算。

## ARTICLE 6 – BOARD OF DIRECTORS

### 第 6 条-董事

#### 6.1 Formation of the Board 董事会的设立

- (a) The Company shall have a board of directors (the "**Board**") which consist of five directors appointed by the Shareholders' Meeting as follows:

公司应设董事会（“董事会”），由股东会任命的五名董事组成：

- (i) Both the CEO and the CFO shall each be appointed as one of the directors.

首席执行官和财务总监均应被任命为董事。

- (ii) Each Shareholder shall nominate one director, to be appointed by the Shareholders' Meeting according to such nomination.

每一股东应提名一名董事，由股东会任命。

- (iii) The fifth director (the "**Fifth Director**") shall be a well-known person of high integrity with a reputation as a successful business leader in the field of photonics for optical data communications. Both Shareholders may submit nominations for the Fifth Director to the Shareholders' Meeting. The Shareholders shall agree on one candidate and elect such candidate as Fifth Director accordingly by unanimous decision of the Shareholders' Meeting.

第五名董事（“**第五董事**”）应是在光数据通信光电领域德高望重且以成功商业领袖而著称的知名人士。股东均可向股东会提名第五董事。股东应经股东会一致决定，协商选出一人担任第五董事。

- (b) Each director shall serve a term of three (3) years and may serve consecutive terms if so qualified in accordance with the pre-conditions set out under paragraph (a) for each position.

每名董事的任期是三（3）年，若符合(a)款列出的相关前提条件，可以连任。

- (c) The Chairman of the Board shall be the director nominated by SAIC, and shall be the legal representative of the Company. The legal representative shall only be permitted to externally act on behalf of the Company in relation to any matter that shall be decided by the Shareholders' Meeting or the Board upon a related resolution of the Shareholders' Meeting or the Board, as the case may be, resolving that any business or other action on such matter shall be carried out by the Company through the legal representative. The Chairman may appoint a Vice Chairman in case of his/her absence.

董事长应由 SAIC 提名的董事担任，并担任公司的法定代表人。股东会或董事会（视情况而定）就任何应由公司通过法定代表人实施的任何业务或其他行动作出相关决议的，法定代表人可以对外代表公司。董事长可任命副董事长，在其缺席的情况下代行董事长职责。

## 6.2 Powers of the Board 董事会的职权

- (a) The Board shall be responsible to the Shareholders and shall exercise the following functions and powers:

董事会应对股东负责，行使以下职权：

- (i) convening meetings of the Shareholders and report to the shareholders' meeting on its work;

召集股东会会议，向股东会报告工作；

- (ii) preparing the Company's business policies, investment plans, R&D plans and technical roadmaps of the Company, annual financial budget and final accounting, and profit distribution plans;

制定公司的业务计划、投资计划、研发计划和技术路线图、年度财务预算和决算以及利润分配方案；

- (iii) preparing internal policies and basic management system for the Company, including employment and remuneration guidelines and handbooks, accounting systems and procedures;

制定公司内部政策和基本管理制度，包括雇用和薪酬指南和手册、会计制度和流程；

- (iv) appointing and removing the CEO and the CFO;

任命和罢免首席执行官、财务总监；

- (v) appointing and removing the accounting firm that carries out the annual audit of the Company;

聘用和解聘公司年度审计的会计师事务所；

- (vi) the Company's entering into, amending, terminating or waiving any rights under, any agreement in respect of (i) any transaction which involves or is likely to involve aggregate amounts payable by or to the Company in excess of RMB 336,660, or (ii) any transaction, regardless of the amount payable by or to the Company, which may create a liability in excess of RMB 336,660, or (iii) a related party transaction with any Shareholder, a Shareholder's Affiliate or a member of the Board or the Management Office, including any back license of Foreground IP and supply and procurement agreements; and

公司就以下事项订立、修订或终止任何协议或者放弃任何协议项下的任何权利：(i)公司应付或应收总金额超过人民币336,660的交易；或者(ii)任何可能产生超过人民币336,660责任的交易，且无论该交易中公司应付或应收金额多少；或者(iii)与任何股东、股东关联方、董事会或管理层的成员的相关方交易，包括前景知识产权饭许以及供货采购协议；以及

- (vii) any other matters that are required to be decided by the board of directors of a company under Applicable Laws.

适用法律要求由公司董事会决定的其他事项。

### 6.3 Meeting of the Board 董事会会议

- (a) Resolutions by the Board shall be adopted at a duly constituted and convened meeting only upon the unanimous affirmative vote by the members of the Board representing the voting rights present in person, by telephone, by videoconference or by proxy at such meeting. For a duly convened Board meeting at least three (3) directors, and at least one (1) director appointed by each of the Shareholders, have to be present accordingly. If the Board cannot make a decision on any matter after the two consecutive meetings where the

matter is considered, the matter shall be submitted to the Shareholders' Meeting for resolution.

董事会决议应在合法组成和召集的会议上，由亲自、通过电话、以视频会议形式或委托代理人出席该次会议的有表决权董事会成员一致赞成表决通过。合法召集的董事会会议必须有至少三（3）名董事以及各股东任命的一（1）名董事出席。若董事会连续召集两次会议讨论相同事项仍不能决定，该事项应提交股东会决议。

- (b) The first Board meeting shall be held within one (1) month from the Establishment Date. At such first Board meeting the Board shall appoint the CEO and CFO and approve the signing of the Ancillary Agreements and transact any other business required for the start of operation of the Company.

第一次董事会会议应成立日起一（1）个月内举行。在第一次董事会会议上，董事会应任命首席执行官和财务总监，批准签署附属协议，并处理公司开始运营所需的任何其他业务。

## ARTICLE 7 – SUPERVISORS

### 第7条-监事

#### 7.1 Supervisors of the Company 公司监事

- (a) Instead of a board of supervisors, the Company shall have two (2) supervisors, one supervisor nominated by each Shareholder and appointed by the Shareholders' Meeting in accordance with the Shareholders' nominations.

公司不设监事会，设两（2）名监事，由各股东分别提名后，股东会依照提名任命。

- (b) Each supervisor shall serve for a term of three (3) years and may serve consecutive terms if re-appointed by the shareholders' meeting. If a seat for a supervisor is vacated by the retirement, resignation, illness, disability or death of a supervisor or by the removal of such supervisor by the Shareholders, the Shareholder who originally nominated the departing supervisor shall nominate a successor, to be appointed by the Shareholders' Meeting accordingly. The Company shall be responsible for handling the registration procedures for replacement of the supervisor.

每名监事的任期是三（3）年，若股东会重新任命，可以连任。若因监事退休、辞职、生病、失能、死亡或被股东罢免而出现空缺，提名原监事的股东应提名一名继任人，由股东会任命。公司应负责办理监事变更的登记手续。

#### 7.2 Powers of Supervisors 监事的职权

- (a) The supervisor shall exercise the following duties and powers:

监事应行使以下职权：

- (i) To examine financial affairs of the Company;

审查公司的财务状况；

- (ii) To supervise the duty-related acts of directors and senior management that are in violation of laws, regulations or the Articles of Association, and to bring forward proposals on the removal of any director or senior management personnel who violates laws, regulations, the Articles of Association or resolutions of the Shareholders;

监督董事和高管违反法律、法规或公司章程的职责相关行为，建议罢免违反法律、法规、公司章程或股东决议的董事或高管；

- (iii) To request any director or senior management to make rectification if his/her acts have harmed the interests of the Company;

若董事或高管的行为损害了公司利益，要求该董事或高管予以纠正；

- (iv) To propose interim shareholders' meetings;

提议召集临时股东会议；

- (v) To bring forward proposals at shareholders' meetings;

在股东会上提出议案；

- (vi) To initiate actions against directors or senior management officers who, when performing their duty-related acts, have violated laws, regulations or the Articles of Association and have caused damage to the Company; and

对在实施职责相关行为时违反法律、法规或公司章程并对公司造成损害的董事或高管提起诉讼；以及

- (vii) Other duties as prescribed by the Articles of Association from time to time.

公司章程不时规定的其他职责。

## ARTICLE 8 –MANAGEMENT

### 第 8 条-管理

#### 8.1 Management Office 管理层

- (a) The Company shall have one (1) General Manager with the title of Chief Executive Offer or CEO, who shall be appointed and dismissed by the Board following the procedure set out in and in accordance with Joint Venture Contract. The CEO is accountable to the Board.

公司应设一（1）名总经理，称为首席执行官，由董事会按照合资合同条依程序任命和罢免。首席执行官对董事会负责。



- (b) The Company shall have one (1) Chief Financial Officer or CFO, who shall be appointed and dismissed by the Board following the procedure set out in and in accordance with Joint Venture Contract. The CFO is accountable to the CEO.

公司应设一名财务总监，由董事会按照合资合同依程序任命和罢免。财务总监对首席执行官负责。

- (c) The Management Office shall consist of the CEO and the CFO and such other management personnel as determined by the Board, and shall be responsible to and under the leadership of the CEO.

管理层应由首席执行官、财务总监和董事会确定的其他管理人员组成，对首席执行官负责，接受首席执行官的领导。

- (d) If any member of the Management Office is removed or cannot serve in such capacity due to retirement, resignation, illness, civil disability, death, criminal prosecution, or being removed as the Board determines he/she is no longer suitable for taking this position, a successor shall be nominated and appointed in the same manner as the original appointee.

若管理层的任何成员被罢免或者因退休、辞职、生病、丧失民事行为能力、死亡、被控刑事犯罪而无法任职，或者因董事会认为其不再适合担任该职务而被罢免，应按照提名原高管的方式提名并任命继任人。

## 8.2 Management Organisation 管理组织

- (a) The Management Office shall, within the scope of powers as set forth in These Articles, organise itself under the leadership of the CEO. It has the overall responsibility of managing and directing the business and operations of the Company and shall manage and oversee the daily operations of the Company's Finance Department. The Management Office shall provide leadership to position the Company at the forefront of the Company's industry within the PRC by proposing the overall strategic direction and operational plans for the Company to the Board, and implementing such plans as approved. The members of the Management Office shall devote their time and skill to advancing the Company's mission and objectives and to promoting the Company's revenue, profitability and growth as an organization. The Management Office shall also manage and oversee all aspects of the Company's operations to ensure efficiency, quality, service, and cost-effective management of resources. The specific responsibilities of the Management Office shall include the following:

管理层应在公司章程所述职权范围内，在首席执行官的领导下工作，全面负责管理和指导公司的业务和运营，管理和监督公司财务部门的日常运作。管理层应带领公司在中国处于相关行业前列，向董事会提出公司全面战略指导和运营计划，执行获批计划。管理层成员应将自己的时间和技能用于推进公司的使命和目标，促进公司的收入、盈利能力和组织成长。管理层还应管理和监督公司运营的各个方面，确保效率、质量、服务和资源成本效益管理。管理层的具体职责应包括：

- (i) proposing the Company's annual business/operational plans and budget for review by the Board, and implementing such plans as approved;

提交公司的年度业务/运营计划和预算给董事会审议，执行获批计划；

- (ii) managing the day-to-day operations of the Company and overseeing the activities of the Company's functional departments as the Company may establish;

管理公司的日常运作，监督公司可能设立的公司职能部门的活动；

- (iii) reviewing and evaluating the performance and capabilities of departmental managers to determine competency and fitness to perform the designated/delegated tasks and responsibilities and dedication and contribution in attaining objectives; and where necessary and appropriate, dismissing incompetent departmental managers after consultation and reaching consensus with the Board and appointing their replacements;

审查和评估部门经理的表现和能力，确定其履行指定/委派任务和责任的能力和适应力以及对实现目标的付出和贡献；在必要且适当的情况下，经协商并与董事会达成共识后解聘不称职的部门经理，任命继任者；

- (iv) formulating and supervising the implementation of the Company's procedures, policies and standards within the parameters set forth by the Board;

在董事会设定的范围内制定公司程序、政策和标准并监督执行情况；

- (v) reviewing, approving and/or signing contracts and agreements related to the daily operations of the Company and approving and authorizing expenditures of the Company in accordance with the approved annual budget and subject to other limitations which may be set from time to time by the Board;

审查、批准和/或签署与公司日常运营相关的合同和协议，根据获批的年度预算，在董事会可能不时设定的其他限制范围内，批准和授权公司支出；

- (vi) proposing for review by the Board, changes to the Company's compensation structures and annual bonus plans for the employees and officers of the Company based on market conditions, the Company's financial performance and in accordance with the parameters set forth in the annual budgets; and

基于市场条件和公司财务状况，根据年度预算中设定的参数，提议调整公司员工和高管的薪酬结构和年度奖金计划，供董事会审核；以及

- (vii) proposing for review by the Board, changes to the Company's organizational structure and the Company's overall headcount in light of market conditions.

根据市场情况，提议调整公司组织结构和公司员工总数，供董事会审核。

- (b) The members of the Management Office shall work for or on behalf of the Company full time and shall not hold posts concurrently with other enterprises without prior approval of the Board, provided, however, that certain individuals

may be employed by one of the Shareholders or its Affiliate and seconded to the Company.

管理层成员应专职为公司工作并代表公司，未经董事会事先批准，不得在其他企业兼职，但特定人员可以受聘于任一股东或其关联方并外派到公司。

## **ARTICLE 9 – LABOUR MANAGEMENT**

### **第 9 条-劳动管理**

#### **9.1 Governing Principle 管理原则**

Matters relating to the recruitment, employment, dismissal, resignation, wages, labour insurance and welfare of the employees of the Company shall be handled by the CEO or his designee in accordance with the relevant labour laws and regulations of the PRC, other Applicable Law, and the policies formulated by the Board.

有关公司员工的招聘、录用、解雇、辞职、工资、劳动保险和福利事宜应由首席执行官或其指定人员依据中国相关劳动法律法规、其他适用法律及董事会制定的政策处理。

#### **9.2 Employment Agreements 劳动合同**

Employees of the Company (other than members of the Management Office and Key Employees) shall be employed in accordance with the terms of individual employment agreements entered into between the Company and such individuals. Such agreements shall be approved in form and substance by the CEO or his designee.

公司员工（不包括管理层和核心员工）应根据公司与员工个人订立的个人劳动合同条款雇用。该等劳动合同的形式和内容应由首席执行官或其指定人员批准。

#### **9.3 Management Office and Key Employees 管理层和核心员工**

Members of the Management Office and Key Employees shall be employed by the Company in accordance with the terms of individual employment contracts. Members of the Management Office and Key Employees as well as other employees having access to confidential information of the Company and/or either of the Shareholders shall also be required to enter into non-competition and confidentiality agreements as well as employee invention agreements with the Company.

公司应依据个人劳动合同条款雇用管理层成员和核心员工。可接触到公司和/或任一股东的保密信息的管理层成员和核心员工及其他员工应同公司订立竞业禁止协议、保密协议和职务发明协议。

#### **9.4 Conformity with Labour Protection 遵守劳动保护规定**

The Company shall comply with the Applicable Laws concerning labour protection. Labour insurance for the Company's employees shall also be handled in accordance with the Applicable Law.

公司应遵守有关劳动保护的适用法律，根据适用法律为公司员工办理劳动保险。

#### **9.5 Number of Employees 员工人数**

The qualifications and number of employees shall be determined in accordance with the operational needs of the Company determined by the Board.

员工的资格和人数应由董事会根据公司经营需要确定。

## **9.6 Labour Union 工会**

The Company shall comply with the Applicable Laws with regard to labour union activities.

公司应遵守有关工会活动的适用法律。

# **ARTICLE 10 – FINANCIAL AND ACCOUNTING**

## **第 10 条-财务和会计**

### **10.1 Financial Control Procedures 财务管理程序**

- (a) The CFO of the Company shall be responsible for the financial management of the Company.

公司财务总监应负责公司的财务管理。

- (b) The Company shall adopt Renminbi as its bookkeeping base currency in accordance with the Applicable Laws.

公司应根据适用法律使用人民币作为记账本位币。

- (c) The Company shall adopt the calendar year as its fiscal year, which shall begin on 1 January and end on 31 December of the same year.

公司财务年度应采用公历年制，从 1 月 1 日开始直至当年 12 月 31 日结束。

- (d) All accounting records, vouchers, books and statements of the Company shall be made and kept in Chinese in accordance with the Applicable Laws.

公司的所有会计记录、凭证、账簿和报表均应根据适用法律以中文编制和保存。

- (e) The Company shall retain a qualified and reputable accounting firm registered in the PRC to audit, and to examine and verify the annual financial reports of the Company and other financial documents as required. The audited financial reports shall be provided to the Shareholders' Meeting within three (3) months after the end of the fiscal year.

公司应聘请在中国注册的、声誉良好的合格会计师事务所审计、审查和审核公司的年度财务报告及其他所需财务文件。经审计的财务报告应在财务年度结束后三（3）个月内提交股东会。

- (f) The Company shall submit to the Shareholders an annual financial report (in Chinese and English) (which shall include a statement of change in financial position, an audited profit and loss statement and a balance sheet for the fiscal year) prepared in accordance with generally accepted accounting practices in

the PRC as well as the relevant laws and regulations of the PRC within three (3) months after the end of the fiscal year, together with an audit report from the Company's auditor.

公司应在财务年度结束后三（3）个月内，向股东提供根据中国境内公认会计准则及中国相关法律法规编制的年度财务报告（中文和英文）（应包括财务状况变化说明、经审计的该财务年度损益表和资产负债表）以及公司审计师出具的审计报告。

- (g) The Company shall furnish to the Shareholders financial reports (in Chinese and English) prepared in accordance with generally accepted accounting practices in the PRC as well as the relevant laws and regulations of the PRC on at least a monthly basis or as required by the law so that the Shareholders may, with such financial reports, be timely informed about the Company's performance. Such financial reports shall include:

公司应向股东提供根据中国境内公认会计准则及中国相关法律法规编制的财务报告（中文和英文），至少每月一次或者依据法律规定，以便股东可以及时了解公司业绩。所述财务报告应包括：

- (i) monthly profit and loss accounts, balance sheet and cash flow;  
每月的损益账目、资产负债表和现金流；
- (ii) details of transactions between the Shareholders and the Company;  
股东与公司之间的交易细节；
- (iii) tax and treasury information;  
税费和财务信息；
- (iv) statutory accounts and monthly management accounts;  
法定账目和每月管理账目；
- (v) audit reports and papers;  
审计报告和文件；
- (vi) trial balance at the account level detail;  
账户试算平衡表；
- (vii) existing internal management report; and  
现有内部管理报告；以及
- (viii) key performance indicators used to manage the business, including but not limited to number of units shipped, units returned, receipts, order entry call volumes, customer service call volumes, gross orders, average selling price per unit, average order value, active customer count, new customers, repeat buying report, revenue by product category., revenue

by landed region, revenues generated by different platforms such as internet.

用于管理业务的关键绩效指标，包括但不限于发货数量、退货数量、收据、订单录入呼叫量、客户服务呼叫量、总订单、平均单价、平均订单价值、活跃客户数、新客户、重复购买报告、按产品类别划分的收入、按地区划分的收入、不同平台（例如互联网）产生的收入。

- (h) All accounts and records of the Company shall be open for inspection by each of the Shareholders or by their duly authorised representatives during regular business hours.

公司的所有账目和记录均应在正常营业时间内开放给每一方或其正式授权代表查看。

### **10.2 Bank Accounts and Foreign Exchange Control 银行账户和外汇管制**

- (a) The Company shall open foreign exchange and Renminbi accounts at banks within the PRC authorised and approved by the Chinese foreign exchange authorities to conduct foreign exchange operations. The Company may, with approval of the relevant Government Authorities, also open foreign exchange accounts outside the PRC.

公司应在中国外汇管理部门授权和批准的中国境内银行开立外汇和人民币账户，从事外汇业务。经有关政府部门批准，公司还可以在中国境外开立外汇账户。

- (b) The Company's foreign exchange transactions shall be handled in accordance with the relevant Chinese regulations relating to foreign exchange control.

公司的外汇交易应根据有关外汇管制的中国法规进行。

### **10.3 Profits Distribution 利润分配**

- (a) After the payment of taxes by the Company, the Board shall determine the annual allocations from after-tax net profits to the Reserve Fund and Expansion Fund of the Company and the Bonus and Welfare Fund for the workers and staff members (if applicable) in accordance with Applicable Law.

公司缴付税费后，董事会应根据适用法律确定从税后净利润中提取的当年法定公积金和任意公积金以及职工奖金和福利基金（如适用）。

- (b) The Shareholders agree that SAIC is entitled to receive 51.5% of distributable dividends of the Company, and POET shall receive 48.5%.

股东约定，SAIC 有权取得公司可分配红利的 51.5%，POET 应取得 48.5%。

## ARTICLE 11 – TAXATION AND INSURANCE

### 第 11 条-税费和保险

#### 11.1 Income Tax and Other Taxes 所得税和其他税费

- (a) The Company shall pay tax under the relevant tax laws of the PRC and the local tax regulations applicable to the Company, subject to any further tax holidays, waivers, exemptions, or exclusions that are available to and are granted to the Company by any local, regional or national tax authorities.

公司应支付中国相关税法及适用于公司的地方税务条例中规定的税费，可享受任何地方、地区或国家税务部门给予公司的任何进一步免税期、税费减免或免税项。

- (b) The employees of the Company shall pay tax on their individual incomes in accordance with the relevant provisions of the tax laws of the PRC.

公司员工应根据中国税法的相关规定缴纳个人所得税。

- (c) The Company shall apply for and be entitled to all preferential treatment in accordance with the Applicable Law and related regulations and rules. The tax liability of the Company, the Shareholders and their employees, as appropriate, shall be handled in accordance with the preferential tax treatment as provided in the relevant laws and regulations.

公司应根据适用法律和相关条例规章申请且有权享有所有优惠待遇。公司、双方及其员工（如适用）的纳税义务应根据相关法律法规中规定的税收优惠待遇处理。

#### 11.2 Insurance 保险

The Board shall cause the Company to purchase adequate insurance to cover risks which meet the insurance requirements of the Applicable Law, including, without limitation, a general liability policy and a directors' and officers' insurance policy. All insurance against loss or damage to the property of the Company shall be in such amounts as are consistent with the levels of insurance customarily maintained by similar joint venture enterprises within China and shall be taken out on commercially reasonable terms and conditions. The taking out of an insurance policy, the value and period etc. of the insurance shall be examined and determined by the Board in accordance with the needs of the Company. The insurance shall be purchased from highly rated insurance companies which are licensed to operate in China, and SAIC and POET shall be named as additional beneficiaries thereunder.

董事会应促使公司购买充足保险以应对风险，满足适用法律中的保险要求，包括但不限于综合责任险和董事高管责任险。为防公司财产损失或损害而购买的所有保险应按照商业上合理的条款和条件投保，保额同中国境内类似合资公司通常投保的金额一样。投保及保险价值、保险期间等应由董事会根据公司需要审查决定。保险应向在中国境内持有保险业务经营牌照的高信用评级保险公司购买，并将 SAIC 和 POET 列为相关保险的补充受益人。

## ARTICLE 12 – JOINT VENTURE TERM

### 第 12 条-合资期间

#### 12.1 Term of Operation 运营期限

The Term shall commence on the Establishment Date and shall continue for twenty (20) years unless extended pursuant to Article 12.2.

期间应自成立日开始起算，持续二十（20）年，除非根据第 12.2 条延长。

#### 12.2 Extension of the Term 延期

If the Shareholders agree to extend the Term, an application for such extension shall be submitted to Filing Authorities no less than six (6) months prior to the expiration of the Term.

若股东约定延期，应在期间届满前不少于六（6）个月向备案机构递交延期申请

#### 12.3 Failure to Agree on Extension 未约定延期

In the event the Shareholders fail to reach agreement on the extension of the Term, then upon expiration of the Term as set out in Article 12.1, the relevant provisions of Article 13 shall apply.

若股东未就延长期间达成一致的，当第 12.1 条规定的期间届满时，应适用第 13 条的相关规定。

## ARTICLE 13– TERMINATION, BUY-OUT, AND LIQUIDATION

### 第 13 条-终止、收购和清算

#### 13.1 Termination 终止

(a) The Company shall terminate upon the expiration of the Term set forth in Article 12.1 unless extended pursuant to Article 12.2.

公司应在第 12.1 条规定的期间届满时终止，除非按照第 12.2 条的规定延期。

(b) The Company may be terminated at any time by the written agreement of the Shareholders.

经股东书面约定，公司可随时终止。

(c) The Company may be terminated by the written notice of a Shareholder to the other Shareholder of an intention to terminate the Company, followed by a unanimous vote of the Shareholders' Meeting to terminate the Company pursuant to the procedure set forth in paragraph (d) below, if:

若有以下情形，任一股东按照下文(d)款规定的程序经股东会一致表决终止公司的，在将其终止公司的意图以书面形式通知另一股东后，可终止公司：



- (i) a Shareholder materially breaches the Joint Venture Contract or any of the Ancillary Agreements or violates These Articles, and such breach or violation is not cured within sixty (60) days of written notice to the breaching Shareholder;

任一股东严重违反合资合同、任何附属协议或公司章程，且未能在守约股东发出书面通知后六十（60）天内予以补救；

- (ii) the Company becomes bankrupt, or is the subject of proceedings for liquidation or dissolution, ceases to carry on business or becomes unable to pay its debts as they come due;

公司破产、成为清算或解散程序的主体、停止营业或者无力偿还到期债务；

- (iii) a Shareholder transfers its share of the registered capital in the Company in violation of the provisions of the Joint Venture Contract;

任一股东违反合资合同的规定，转让其在公司注册资本中持有的股份；

- (iv) all or any part of the assets of the Company are taken from the Company or expropriated by any government authorities and the operation of the Company is materially affected as a result thereof;

公司的全部或部分资产被剥离或被政府部门没收，严重影响公司经营；

- (v) the conditions or consequences of Force Majeure significantly interfere with the normal functioning of the Company and the Shareholders have been unable to find an equitable solution pursuant to the provision of Joint Venture Contract for a period in excess of three (3) months;

不可抗力情形或其后果严重影响公司的正常运营，且股东超过三（3）个月仍无法根据合资合同达成公平的解决方案；

- (vi) if the conditions are fulfilled for a termination due to a Deadlock situation under Article 5.2 (e);

符合第 5.2(e)条规定的因僵局而导致终止的条件；或者

- (vii) any other reasons for termination stipulated in These Articles arise.

发生公司章程中规定的其他终止事由。

- (d) In the event that either Shareholder gives notice where it is entitled to do so pursuant to Article 13.1(c) hereof of a desire to terminate the Company, the Shareholders shall within a period of thirty (30) days after such notice is given conduct negotiations and endeavour to resolve the situation which resulted in the giving of such notice. In the event that matters are not resolved to the satisfaction of the Shareholders within another thirty (30) days of such notice or the non-notifying Shareholder definitely refuses to commence negotiations within the period stated above, each Shareholder shall vote in the Shareholders' Meeting to terminate the Company, and the Board shall submit a termination application to Filing Authorities.

若任一股东行使公司章程第 13.1(c)条规定的通知权，意图终止公司，全体股东应在通知发出后三十（30）天内进行磋商，尽力解决导致发出该通知的情形。若无法在通知后三十（30）天解决该情形让全体股东满意，或者收到通知的股东坚决拒绝在上述期限内进行磋商，各股东应在股东会上就终止公司进行表决，董事会应向备案机构递交终止申请。

- (e) For the purpose of this Article 13, the “date of termination” shall be (i) the date of expiration of the Term, if the termination is effected pursuant to paragraph (a) above; (ii) the date of the written agreement of the Shareholders, if the termination is effected pursuant to paragraph (b) above; or (iii) the date that the Shareholders' Meeting votes to terminate the Company, if the termination is effected pursuant to paragraph (c) above.

在本第 13 条中，“终止日”应是指(i)期间届满之日，若终止根据上文(a)款生效；(ii)全体股东达成书面协议之日，若终止根据上文(b)款生效；或者(iii)董事会表决通过终止公司之日；若终止根据上文(c)款生效。

### 13.2 Buy-Out 收购

- (a) In the event that the Company is terminated as a consequence of material breach by either Shareholder in accordance with the terms of the Joint Venture Contract, then the non-breaching Shareholder, or Affiliates or Third Parties designated by the non-breaching Shareholder, shall have the option (the “**Option**”) to purchase the equity interest (the “**Equity Interest**”) of the breaching Shareholder in the Company at a price equal to Fair Value (as defined below). Such option may be exercised by the non-breaching Shareholder in writing within sixty (60) days after the determination of the value of the Company.

若公司因任何一方实质违约根据合资合同被终止，则守约股东或其指定的关联方或第三方应有权（“**选择权**”）按照公允价值（定义见下文）收购违约股东在公司持有的股权（“**股权**”）。守约股东可在公司价值确定后六十（60）天内以书面形式行使选择权。

- (b) The value of the Equity Interest for the purposes of Article 13.2 shall be determined as follows:

在第 13.2 条中，股权的价值应按以下方式确定：

- (i) The determination of “**Fair Value**” shall be the price which an Independent Expert (as defined below) shall certify to be in its opinion the fair market value of the Equity Interest. The Shareholders shall promptly provide all information and assistance reasonably requested by the Independent Expert, and the Company shall provide the Independent Expert access to all of its officers, employees, information, records, and facilities as requested by the Independent Expert from time to time in the course of its valuation. In arriving at its opinion, the Independent Expert shall value the Equity Interest on the following bases:

“**公允价值**”应是独立专家（定义见下文）证明其认为股权应具有公允市场价值。股东应及时提供独立专家合理请求的所有信息和协助，公司应允许独立专家接触、查阅和进入其在评估期间不时要求的公司所有管理人员、

雇员、信息、记录和设施。独立专家应基于以下因素对股权进行评估，得出自己的意见：

(A) the sale is between a willing buyer and a willing seller on the open market;

公开市场上诚意买方和诚意卖方之间的销售；

(B) the sale is taking place on the date of material breach by either Shareholder in the event of a sale pursuant to this Article 13.2;

在任一股东实质违约之日根据第 13.2 条进行的销售；

(C) if the Company is then carrying on its business as a going concern, on the assumption that it shall continue to do so;

若公司继续经营业务，假设公司应继续经营；

(D) the Equity Interest is sold free of all liens; and

股权在出售时没有留置权；以及

(E) any other factors that the Independent Expert should take into account when making a reasonable valuation.

独立专家在进行合理评估时应当考虑的其他因素。

- (ii) For this purpose, “**Independent Expert**” means one of PricewaterhouseCoopers, KPMG, Deloitte, Ernst & Young, Grant Thornton or BDO, or one of their respective PRC subsidiaries (collectively, the “**Eligible Accounting Firms**”), appointed upon the written agreement of the Shareholders. In the event that the Shareholders are unable to agree on the Independent Expert within 10 days of the date of exercising the option, SAIC shall select the Independent Expert from among a list of three Eligible Accounting Firms proposed by POET. The Independent Expert shall be engaged to issue a certificate to Shareholders specifying the Fair Value as soon as practicable but in any event within thirty (30) days of its appointment. Any valuation by the Independent Expert is conclusive and binding on the Shareholders in the absence of manifest error. The Independent Expert is appointed as an expert, not as an arbitrator. The costs of the Independent Expert shall be borne by the Company. The Company shall promptly pay any retainer, costs on account, and other fees and amounts on the terms and conditions set out in the engagement documents for the Independent Expert selected pursuant to this paragraph.

在本条中，“**独立专家**”是指普华永道、毕马威、德勤、安永、致同或德豪之一，或其各自的中国子公司（统称“**合格会计师事务所**”），由股东以书面协议形式指定。若股东无法在选择权行使之日起十（10）天内就独立专家达成一致，SAIC应从POET列出的三个合格会计师事务所中挑选独立专家。独立专家应尽快（无论如何不晚于其被任命后三十（30）天）出具公允价值证明给股东。独立专家的评估只要没有明显错误，即具有决定性且对股东均有约束力。独立专家只是专家，不是仲裁员。聘

请独立专家的费用应由公司承担。公司应依据聘请按本条规定挑选的独立专家的相关文件之条款和条件及时支付预付款、成本支出及其他费用款项。

- (c) If the Shareholder (the “**Purchasing Shareholder**”) fails to exercise the Option within the time stipulated above or notifies the other Shareholder (the “**Selling Shareholder**”) in writing that it will not exercise the Option, the Selling Shareholder, or Affiliates or Third Parties designated by the Selling Shareholder, shall have the option to purchase the Equity Interest of the Purchasing Shareholder at a price equal to the value of the Equity Interest determined in accordance with Article 13.2(b). Such option may be exercised by the Selling Shareholder in writing within thirty (30) days after the waiver of option by the Purchasing Shareholder.

若任一股东（“**买方**”）未在上文规定期限内行使选择权或者以书面形式告知另一股东（“**卖方**”）其不行使选择权，则卖方或其指定的关联方或第三方应有权按照根据第 13.2(b)条确定的股权价值收购买方的股权。卖方可在买方放弃选择权后三十（30）天内以书面形式行使选择权。

- (d) Until such time as the sale of the interest a Shareholder in the Company to the other Shareholder is completed, the Company shall, to the fullest extent possible, maintain the conduct of its business in the ordinary course of its business.

公司应尽可能维持正常经营，直至任一股东将其在公司持有的权益出售给另一股东。

### 13.3 Liquidation 清算

- (a) In the event that the Company is terminated pursuant to Article 13.1 hereof, and no Shareholder purchases the other Shareholder’s interest in the Company in the manner set forth in Article 13.2 hereof and the Shareholders do not agree on a sale of the Company to a Third Party, then the Board shall have the right to, upon the approval of Shareholders’ Meeting, appoint a liquidation committee within a period of ten (10) days which shall have the power to represent the Company in all legal matters. The liquidation committee shall value and liquidate the Company’s assets in accordance with the Applicable Law and the principles set out therein.

若根据 13.1 条终止公司，任一股东均没有根据公司章程第 13.2 条收购另一股东在公司持有的权益，并且各股东未就将公司出售给第三方达成一致的，经股东会批准，董事会有权在十（10）天内任命清算委员会，该委员会有权代表公司处理所有法律事务。清算委员会应依照适用法律及其中确立的法律原则对公司资产进行评估和清算。

- (b) The liquidation committee shall consist of five (5) members. The number of members that shall be appointed by a Shareholder shall be equivalent to the number of directors of the Board that such Shareholder appointed to the Board at that time. Members of the liquidation committee may, but need not be, Board directors, Management Office members or Key Employees. Subject to compliance with the Applicable Law, either Shareholder may also appoint professional advisors to be members of or assist the liquidation committee. The Board shall report the formation of the liquidation committee to any government entity required under the Applicable Law.

清算委员会应由五（5）名成员组成，任一股东任命的成员人数应等于该股东当时任命的董事人数。清算委员会成员可（但无需）是董事、管理层成员或核心员工。在遵守适用法律的前提下，任一股东还可任命专业顾问担任清算委员会成员或协助清算委员。清算委员会的成立应由董事会根据适用法律的规定向任何政府主体报告。

- (c) The liquidation committee shall conduct a thorough examination of the Company's assets and liabilities, on the basis of which it shall, in accordance with the relevant provisions of the Joint Venture Contract, develop a liquidation plan which, if approved by the Board, shall be executed under the liquidation committee's supervision.

清算委员会应对公司的资产和负债进行全面彻底清查，并在此基础上，根据合资合同的有关规定，制定清算计划，经董事会批准后，在清算委员会的监督下执行。

- (d) In developing and executing the liquidation plan, the liquidation committee shall use every effort to obtain the highest possible price for the Company's assets.

清算委员会在制定和执行清算计划时，应尽一切努力使公司资产实现价值最大化。

- (e) In the event of a liquidation of the Company, SAIC shall have preferred rights to receive proceeds from such liquidation up to an amount equal to its invested capital (plus an annual return on investment of eight percent (8%)) as well as all its additional costs and expenses from the available assets of the Company.

若公司清算，SAIC 有权优先通过清算取得收益，金额不超过其投资（加上百分之八（8%）的年投资回报率）以及公司可用资产的所有其他费用和支出。

- (f) The liquidation expenses, including remuneration to members and advisors to the liquidation committee, shall be paid out of the Company's assets in priority to the claims of other creditors.

清算费用，包括清算委员会成员和顾问的薪酬，应在公司资产中较其他债权人主张的债权优先支付。

- (g) After the liquidation and division of the Company's assets and the settlement of all of its debts, the balance shall be paid over to the Shareholders in proportion to their respective shares of the registered capital of the Company.

公司资产清算、分割并清偿全部债务后，余额应按照股东各自在公司注册资本中的出资比例支付给相应股东。

- (h) On completion of all liquidation procedures, the liquidation committee shall complete all other formalities required under the Applicable Law for nullifying the Company's registration. Each Shareholder shall have a right to obtain copies of all the Company's accounting books and other documents at their own expense, but the originals thereof shall be left in the care of SAIC.

清算委员会完成所有清算手续后，应完成适用法律规定的所有其他公司注销手续。任一股东均有权自费获取公司账簿及其他文件的复印件/副本，但原件应由 SAIC 保管。

## **ARTICLE 14– MISCELLANEOUS PROVISIONS**

### **第 14 条-其他条款**

#### **14.1 Definitions 定义**

Defined terms in These Articles shall have the meaning set out in Appendix 1.

公司章程定义的条款如附件一所示。

To the extent that there is any discrepancy between this Articles and the Joint Venture Contract, the Joint Venture Contract shall prevail.

如公司章程与合资合同在内容上有不一致的，应以合资合同为准。

#### **14.2 Language 语言**

These Articles shall be made in English and Chinese. To the extent that there is any discrepancy between the Chinese and the English versions, the Chinese version shall prevail.

公司章程应用英文和中文书写。公司章程的两种语言文本应具有相同效力。中英文本有不一致的，应以中文文本为准。

#### **14.3 Effectiveness 效力**

These Articles shall become effective on the Establishment Date.

公司章程自成立日生效。

*[Signature Page Follows 签字页入后]*

[Signature Page of the Articles of Association]

**Xiamen San'an Integrated Circuit Co., Ltd.**

厦门市三安集成电路有限公司

(Seal 盖章)

By:

\_\_\_\_\_

Printed Name 姓名（正楷）

LIN KeChuang (林科闯)

Title 职务:

Chairman of Board 董事长

[signature and chop 签章]

**POET Technologies Inc.**

(Seal 盖章)

By:

\_\_\_\_\_

Printed Name 姓名（正楷）

Vivek Rajgarhia

Title 职务:

President & General Manager 总裁兼总经理

[signature and chop 签章]

## Appendix 1 Definitions and Interpretations

### 附件 1: 定义和解释

#### 1. Definitions 定义

The following terms shall have the meanings set out below:

下列术语应具有如下含义:

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For the purpose of this definition, the term “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as used with respect to any Person, shall mean ownership of fifty percent (50%) or more of the registered capital, equity share, and/or assets or the power to appoint or elect the majority of the directors of a company.

“**关联方**”是指直接或间接控制任何人、受任何人控制或者与任何人共同受控制的其他人。在本定义中，“控制”（包括含义相关的“控制”、“受控制”和“受共同控制”）是指任何人拥有一间公司的不低于百分之五十（50%）的注册资本、股权和/或资产或者多数董事任命权或选举权。

“**Agreed Capital Increases**” means the further increase of the Registered Capital of the Company through a number of subsequent capital increases in accordance with the provision of the Joint Venture Contract.

“**约定增资**”指根据合资合同的规定，通过后续一系列资本增加，进一步增加本公司的注册资本。

“**Ancillary Agreements**” means all agreements to which the Company and either of the Shareholders are parties and which are set out in the Joint Venture Contract.

“**附属协议**”是指合资合同所列的公司与任一股东订立的所有协议。

“**Applicable Laws**” has the meaning as set forth in Article 1.1.

“**适用法律**”具有第 1.1 条赋予的含义。

“**Board**” has the meaning as set forth in Article 6.1.

“**董事会**”具有第 6.1 条赋予的含义。

“**Business**” has the meaning as set forth in Article 2.2.

“**业务**”具有第 2.2 条赋予的含义。

“**Business Licence**” means the business licence of the Company issued by the SAMR.

“**营业执照**”是指市监局颁发的公司营业执照。



“**CEO**” has the meaning set forth in Article 8.1(a).

“**CEO**”具有第 8.1（a）条赋予的含义。

“**CFO**” has the meaning set forth in Article **Error! Reference source not found.**

“**CFO**”具有第 8.1(b)条赋予的含义。

“**Company**” means Super Photonics Xiamen Co., Ltd., a limited liability company duly formed and validly existing under the laws of the PRC with its registered address at 6th Floor, No. 799 Min’an Avenue Hong Tang Town, Tong’an District, Xiamen, Fujian 361100, China.

“**公司**”是指厦门超光集成有限公司，一间根据中国法律成立并合法存续的公司，其注册地址位于中国厦门市同安区洪塘镇民安大道 799 号 6 楼。

“**Deadlock**” has the meaning set forth in Article 5.2(e).

“**僵局**”具有第 5.2(e)条赋予的含义。

“**Establishment Date**” means the issuance date of the Business Licence of the Company.

“**成立日**”是指公司营业执照的签发日期。

“**Filing Authorities**” mean SAMR and/or MOFCOM which are duly authorized by Applicable Law to review, register, approve or file, as the case may be, the Articles of Association and the Joint Venture Contract.

“**备案机构**”是指经适用法律授权审查、登记、核准或备案（视情况而定）公司章程和合资合同的市监局和/或商务部。

“**Force Majeure**” means all events which are beyond the reasonable control and which are unforeseen, or if foreseen, reasonably unavoidable, which arise after the Establishment Date of the Company and which prevent total or partial performance of These Articles and Joint Venture Contract by such Shareholder or the Company. Such events shall include, without limitation, earthquake, typhoon, flood, fire, war, threat of war, blockade, embargo, act of vandalism, lightning, storm, wind, tidal wave, epidemics, strikes and any other events which cannot be foreseen, prevented or controlled, including events which are recognised as Force Majeure in general international commercial practice.

“**不可抗力**”是指在公司成立日期之后发生的、超出合理控制范围、不可预见的或可预见的合理不可避免的所有事件，以及阻止该股东或公司全部或部分履行本条款和合资合同的事件。此类事件包括但不限于地震、台风、洪水、火灾、战争、战争威胁、封锁、禁运、破坏行为、闪电、风暴、风、潮汐、流行病、袭击和任何其他无法预见、预防或控制的事件，包括国际商业惯例中公认的不可抗力的事件。

“**Joint Venture Contract**” means the joint venture contract entered into by SAIC and POET on 21 October 2020.

“**合资合同**”指 SAIC 与 POET 于 2020 年 10 月 21 日签署的合资合同。

**"Key Employees"** mean those employees of the Company on positions set forth in Joint Venture Contract.

“核心员工”是指担任合资合同所列职务的公司员工。

**"POET"** has the meaning set forth in Article 1.5.

“POET”具有第 1.5 条所赋予的含义。

**"PRC"** means the People's Republic of China, excluding, for the purposes of These Articles, the Hong Kong Special Administrative Region, Macao Administrative Region and Taiwan.

“中国”指中华人民共和国，本章程目的下不包括香港、台湾和澳门特别行政区。

**"Renminbi"** or **"RMB"** means the lawful currency of the PRC.

“人民币”是指中国的法定货币。

**"SAIC"** has the meaning set forth in Article 1.5.

“SAIC”具有第 1.5 条赋予的含义。

**"SAMR"** means the State Administration for Market Regulation of the PRC and/or a local branch thereof, as appropriate to the context, which is the company registration authority in China.

“市监局”是指作为中国境内公司注册主管部门的中国国家市场监督管理总局和/或其地方分局（视情况而定）。

**"Shareholders"** has the meaning set forth in Article 1.1.

“股东”具有第 1.1 条赋予的含义。

**"Shareholders' Meeting"** means the meeting of the Shareholders of the Company.

“股东会”指公司股东的会议。

**"Term"** has the meaning set forth in Article 12.1, as extended pursuant to Article 12.2.

“期间”具有第 12.1 条赋予的含义，可根据第 12.2 条延长。

**"These Articles"** means the Articles of Association of the Company as revised and restated herein.

“公司章程”指公司的章程（包括公司章程的修订和重述）。

**"Third Party"** means any entity or person other than the Shareholders or their Affiliates.

“第三方”是指除股东或其关联方以外的任何实体或人。

## 2. Interpretation 解释

- (a) Headings are inserted for the purposes of reference only and shall not affect or restrict the meaning or interpretation of terms of These Articles;

标题仅供参考，不影响或限制公司章程条款的含义或解释。

- (b) The terms expressed in These Articles refer to the provisions contained herein, unless inconsistent with the subject matter they describe or the context herein.

公司章程条款是指公司章程中包含的规定，除非与条款所述标的或公司章程上下文不符。

- (c) Any period as set forth herein is calculated based on the calendar year, month, day and hour. Whenever the last day of the period is Sunday or another mandatory public holiday, the day immediately following the holiday is the last day of the period. The last day of the period ends at midnight (twenty-four (24) o'clock) of that day.

公司章程中列明的任何期间按照公历年、月、日和小时计算。若该期间最后一日是周日或其他法定公众节假日，将节假日后的第一日视为期间最后一日。期间最后一日于当日午夜（二十四（24）小时制）结束。

- (d) Qualifications for numbers such as “above”, “within” and “expires”, shall be inclusive; qualifications for numbers such as “after/upon”, “less than” and “except for” shall not be inclusive.

对数字的“以上”、“以内”和“届满”等界定应包含本数；对数字的“后/起”、“少于”和“除外”等界定不应包含本数。

**SCHEDULE B**

**附件 B**

**POET Assembly Technology License Agreement**

**POET 组装技术许可协议**

by and between 由以下双方签订

**POET Technologies Inc.**

a publicly listed Company duly formed and validly existing in Canada with its registered address of 120 Eglinton Avenue East, Suite # 1107, Toronto, Ontario, Canada

**POET Technologies Inc.**

一间在加拿大合法设立且有效存续的公司，其注册地址为加拿大安大略省多伦多市艾林顿东街 120 号 1107 室

- hereinafter referred to as "**Licensor**" -

- 以下简称“许可方” -

And 和

**Super Photonics Xiamen Co., Ltd.**

a limited liability company incorporated and existing under the laws of the People's Republic of China with its registered address at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, People's Republic of China

**厦门超光集成有限公司**

一间根据中华人民共和国法律合法设立且有效存续的有限责任公司，其注册地址是中国厦门市同安区洪塘镇民安大道 799 号 6 楼

- hereinafter referred to as "**Licensee**" -

- 以下简称“被许可方” -

- Licensee and Licensor hereinafter collectively referred to as "**Parties**" and individually referred to as "**Party**" -

- 许可方和被许可方以下合称“双方”，单独称作“一方” -

Date: [        ]2020

日期：2020 年 月 日

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WHEREAS, the Licensor is an innovative optical technology enterprise with special know-how and technology in 100G/200G/400G optical engines which Licensor has developed and is still developing.

鉴于，许可方是一家创新型光学技术企业并拥有其已研发及正在研发的 100G、200G 和 400G 光学引擎的相关特殊专有知识与技术。

WHEREAS, the Licensee is established as a joint venture company between the Licensor and Xiamen San'an Integrated Circuit Co., Ltd. (hereinafter referred to as "**SAIC**"), a limited liability company incorporated and validly existing in Xiamen, People's Republic of China, with its registered address at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, People's Republic of China, by operation of the Joint Venture Contract as defined below, to conduct application design, assembly, test, integration, marketing and sale of 100G/200G/400G optical engines based on the **POET Optical Interposer™** for data communications and telecommunications applications in China.

鉴于，被许可方系由许可方与厦门市三安集成电路有限公司（以下简称“**SAIC**”）共同设立的合资公司，其作为有限责任公司在中国厦门成立并有效存续，注册地址是中国厦门市同安区洪塘镇民安大道 799 号 6 楼。被许可方通过履行合资合同（定义如下），在中国从事用于数据通信及电信应用的基于 **POET 光学中介层™** 之 100G、200G 和 400G 光学引擎的应用设计、组装、调试、集成、营销。

WHEREAS, the shareholders of Licensee have agreed in the Joint Venture Contract (as defined below) that the Licensee shall receive from Licensor certain of Licensor's know-how and technology for the assembly of Optical Engines based on the POET Optical Interposer, including pick-and-place assembly of components, hermetic sealing, laser burn-in singulation, testing and yield management of Optical Engines, at device and wafer-level as contributions in-kind by the Licensor to the registered capital of the Licensee.

鉴于，被许可方的股东在合资合同（定义如下）中同意被许可方应从许可方处获得基于 **POET 光学中介层** 的光学引擎组装专有知识和技术，包括设备和晶圆级别的元件上下料组装、气密封、激光老化切割，光学引擎的测试和良率管理，以作为许可方对被许可方注册资本的实物出资。

NOW THEREFORE, the Parties agree as follows:

有鉴于此，双方同意如下：

## **Article 1      Definitions**

### **第一条      定义**

The following terms shall have the meanings set out below:

下列术语应具有如下含义：

- 1.1 "**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For the purpose of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect

to any Person, shall mean ownership of fifty percent (50%) or more of the registered capital, equity share, and/or assets or the power to appoint or elect the majority of the directors of a company.

“关联方”是指直接或间接控制任何人、受任何人控制或者与任何人共同受控制的其他人。在本定义中，“控制”（包括含义相关的“控制”、“受控制”和“受共同控制”）是指任何人拥有一间公司的不低于百分之五十（50%）的注册资本、股权和/或资产或者多数董事任命权或选举权。

1.2 **"Adviser"** means the term as set forth in Article 9.1.2.

“顾问”见本协议第 9.1.2 条的规定。

1.3 **"Agreement"** means this Technology License Agreement including all Annexes and any matters specifically incorporated herein by reference and made a part hereof.

“协议”是指本技术许可协议，包括所有附件以及通过引用明确并入本协议并成为其一部分的任何内容。

1.4 **"China Territory"** means the term as set forth in Article 3.1.2.

“中国地区”见本协议第 3.1.2 条的规定。

1.5 **"Components"** means the components to be assembled with/integrated in 100G/200G/400G optical engines which are supplied by SAIC and listed in Annex 1.

“元件”是指在附件 1 中列明由 SAIC 提供的组装或嵌入 100G/200G/400G 光学引擎的元件。

1.6 **"Confidential Information"** means any information and data, including without limitation, any kind of business, commercial or technical information and data disclosed between the Parties in connection with the implementation of this Agreement, irrespective of the medium in which such information or data is embedded, which is not public. Confidential Information shall include any copies or abstracts made thereof as well as any apparatus, modules, samples, prototypes or parts thereof. Documentation and Licensed Know-how shall in any event qualify as Confidential Information.

“保密信息”是指双方为实施本协议披露的任何不公开的信息和数据，包括但不限于双方就本协议的实施而披露的任何业务、商业或技术信息和数据，且不论这些信息或数据的存储媒介。保密信息应包括其制成的任何副本或摘要，以及其任何仪器、模块、样品、原型或零件。在任何情况下，文件和许可专有技术均应视为保密信息。

1.7 **"Documentation"** means the Licensed Know-how in recorded form and the user manuals in either printed or machine-readable form as made available from Licensor to Licensee and listed in Annex 2.

“文件”指附件 2 所列由许可方提供给被许可方的许可专有技术记录以及用户手册印刷品或机读文档。

1.8 **"Effective Date"** means the date this Agreement enters into force as per Article 12.1.



“生效日期”指按第 12.1 条规定本协议生效的日期。

1.9 **"Foreground IP"** means the term as set forth in Article 8.1.

“前景知识产权”见本协议第 8.1 条的规定。

1.10 **"Joint Venture Contract"** means the joint venture contract between the Licensor and SAIC for the establishment of the Licensee.

“合资合同”是指许可方和 SAIC 就被许可方的设立订立的合资合同。

1.11 **"Licensed Know-how"** means all technical information relating to the assembly of Optical Engines based on the POET Optical Interposer, including pick-and-place assembly of components, hermetic sealing, laser burn-in singulation, testing and yield management of Optical Engines, at device and wafer-level which are provided by the Licensor to the Licensee from time to time in any format.

“许可专有技术”指许可方以任何形式不时提供给被许可方的基于 POET 光学中阶层的光学引擎组装的所有相关技术信息，包括设备和晶圆级别的元件上下料组装、气密密封、激光老化切割、光学引擎的测试和良率管理。

1.12 **"Licensed Patents"** means all patents, utility models and design patents set out in Annex 4.

“许可专利”是指附件 4 所列的所有专利、实用新型和外观设计专利。

1.13 **"PRC"** means the People's Republic of China excluding, for the purpose of this Agreement, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan.

“中国”指中华人民共和国，就本协议而言，不包括香港特别行政区、澳门特别行政区和台湾。

1.14 **"Product Registrations"** has the meaning ascribed to it in Article 4.1.

“产品注册”见本协议第 4.1 条的规定。

1.15 **"Renminbi"** or **"RMB"** means the lawful currency of the PRC.

“人民币”指中国的法定货币。

1.16 **"Term"** means the term of this Agreement as established in Article 12 hereof.

“期限”指本协议第 12 条设立的本协议期限。

## **Article 2      Documentation**

### **第二条      文件**

2.1 Licensor hereby grants to Licensee in PRC, the non-transferable and exclusive right and license (without the right to sub-license to copy, to modify, and/or to translate) the

Documentation and/or parts thereof, for the sole purpose of making use of the rights and licenses granted under Article 3.1. In case of any discrepancy between any copied and/or modified and/or translated version of the Documentation and the Documentation as delivered by Licensor, the Documentation as delivered by Licensor shall prevail. Licensee shall indemnify Licensor and hold Licensor harmless against claims arising from use of Documentation based on documentation that is inapplicable or inappropriately amended or translated from the original language by or through Licensee.

仅为使用根据第 3.1 条授予的权利和许可，许可方在此授予被许可方在中国境内的、不可转让的且独占的文件和/或其部分相关权利和许可（不含复制、修改和/或翻译文件和/或其部分的转许可权）。如果文件的任何复印和/或修改和/或翻译版本与许可方发送的文件存在不一致之处，应当以许可方发送的文件为准。被许可方应赔偿许可方因使用由被许可方或通过被许可方不适用或不当修改或翻译原语言的文件而遭受的索赔，并使许可方免受该等损失。

## 2.2 The Documentation will be:

文件将:

- (i) complete and correct considering the purpose of the license granted under Article 3.1;

符合第 3.1 条授予许可之目的的完整和正确要求;

- (ii) in the form and manner as available at Licensor at the delivery date;

在交付日期以许可方提供的格式和方式提供;

- (iii) based on Licensor's standards and specifications;

根据许可方的标准和规范;

- (iv) in metric measurements;

采用公制计量单位;

- (v) in Chinese or English at the discretion of Licensor. Licensor is not responsible for checking and/or ensuring that any translation made by the Licensee is accurate and up to date with the Documentation at any time.

由许可方酌情决定使用中文或英文。许可方在任何时候均不负责检查和/或确保被许可方对文件的任何翻译都是准确的和最新的。

## 2.3 The Documentation and all documents and other information supplied to Licensee under this Agreement are and remain the property of Licensor. The Documentation may include documents or information belonging to third parties, which Licensor is entitled to provide to Licensee. For the purposes of this Agreement, those documents and information are deemed the property of Licensor. The Documentation and any copies thereof will be subject to the provisions on confidentiality hereunder. The copyright regarding these documents shall be and remain at any time with Licensor.

根据本协议向被许可方提供的文件以及所有文档和其他信息是且始终是许可方的财产。文件可能包括许可方有权向被许可方提供的、属于第三方的文档或信息。就本协议而言，这些文档和信息被视为许可方的财产。文件及其任何副本将受以下保密条款的约束。这些文档的版权应属于且始终属于许可方。

- 2.4 Delivery of Documentation will be performed at the time the respective Licensed Know-how is granted in accordance with the schedule set out in **Annex 3** at the seat of Licensee. Delivery shall be limited to hard copies consisting of two (2) sets of Documentation as set out in **Annex 2**, or where deemed necessary in another format (DVD etc.) chosen by Licensor. The hard copy shall be clearly marked with reference to this Agreement and the number of delivered pieces. Licensee shall confirm in writing receipt of any and all Documentation at the time of delivery. The process of delivery shall be documented and signed jointly by the Parties.

文件将根据**附件 3**中规定的相应许可专有技术的许可时间表在被许可方所在地进行交付。交付应限于**附件 2**规定的由两（2）套纸质副本，或者在必要时以许可方选择的其他格式（如 DVD 等）提供。纸质副本应明确标出参考本协议及交付件数。被许可方应在交付时以书面形式确认已收到所有文件。交付过程应由双方共同记录和签署。

- 2.5 Licensee shall inspect all Documentation supplied by Licensor under this Agreement immediately upon delivery. If any part of the Documentation is missing or found incorrect, Licensee shall without delay inform Licensor of such fact in writing and clearly specify the missing or incorrect part. Licensor will exercise normal care in verifying the accuracy and completeness of the Documentation furnished to Licensee.

被许可方应在交付时立即检查许可方根据本协议提供的所有文件。如果文件的任何部分缺失或被发现不正确，被许可方应毫不迟延地以书面形式通知许可方此类事实，并明确指明缺失或不正确的部分。许可方在核实向被许可方提交的文件的准确性和完整性时，将行使常规注意义务。

- 2.6 Licensor will not be liable to provide more Documentation than existing and in use at Licensor at the time of actual delivery. If the Documentation should contain an omission, defect, error, mistake or ambiguity, Licensor will correct that omission, defect, error, mistake or ambiguity upon notification of Licensee or when it becomes otherwise known. Claims for correction expire at the latest six (6) months after actual delivery of the respective Documentation. Licensor will not be liable to Licensee or any third party for damage, whether direct or consequential, arising or alleged to arise from Licensee's use, modification or translation of such Documentation.

许可方没有责任提供超出许可方在实际交付时现有和使用的文件。如果文件包含省略、瑕疵、差错、错误或模棱两可之处，则许可方将在收到被许可方通知或以其他方式知悉时纠正该省略、瑕疵、差错、错误或模棱两可之处。更正请求权在相应文件交付后最迟六个月失效。对于因被许可方使用、修改或翻译此类文件而造成的或据称造成的直接或间接损失，许可方不对被许可方或任何第三方承担任何责任。

## Article 3 License Granted by Licensor to Licensee

### 第三条 许可方授予被许可方的许可

3.1 As part of the Licensor's contributions to the registered capital of the Licensee, pursuant to the terms and conditions of this Agreement and subject to the licensing schedule set out in **Annex 3**, Licensor hereby grants to Licensee for the term of the Licensee's operations:

作为许可方对被许可方注册资本的出资的一部分，根据本协议的条款和条件及**附件3**中列出的许可时间表，在被许可方的经营期限内，许可方特此向被许可方授予：

3.1.1 a royalty-free, sole and exclusive license to use the Licensed Know-how and Licensed Patent in relation to CWDM4 configuration 100G/200G Optical Engines that utilize Licensor's Optical Interposer for the use for data communication and telecommunication applications, with 'sole and exclusive' meaning that Licensor will not grant such license to any third party, nor will it undertake to manufacture and/or sell Optical Engines utilizing the Optical Interposer on its own to compete with the Licensee for data communication and telecommunication applications; and

免许可费、排他且独占的许可，以使用与许可方的光学中介层用于数据通信和电信应用的 CWDM4 配置 100G/200G 光学引擎有关的许可专有技术和许可专利，“排他且独占”是指许可方不会将此类许可授予任何第三方，也承诺不会自行使用光学中介层制造和/或销售光学引擎以与被许可方在数据通信和电信应用领域内开展竞争；以及

3.1.2 a royalty-free and exclusive license to use the Licensed Know-how and Licensed Patent in relation to DR4/FR4 configuration 400G Optical Engines that utilize Licensor's Optical Interposer for the use for data communication and telecommunication applications manufactured and sold in PRC, Taiwan, Macao and Hong Kong ("**China Territory**"), with exclusive meaning that Licensor will not grant such license to any third party in the China Territory for manufacturing and/or sale in the China Territory for data communication and telecommunication applications.

免许可费和独占的许可，以使用与许可方的光学中阶层用于在中国、台湾、澳门和香港（“**中国地区**”）制造和销售的与许可方的光学中介层用于数据通信和电信应用的 DR4/FR4 配置 400G 光学引擎有关的许可专有技术和许可专利，独占的含义是许可方不会将此类许可授予中国地区的任何第三方以在中国地区内为数据通信和电信应用进行制造和/或销售。

3.2 The technology licenses under Article 3.1 shall be:

第 3.1 条下的技术许可应为：

3.2.1 granted without the ability to sub-license or transfer the respective license or its subject matter to any third party. Licensor shall continue to own Licensed Know-how and Licensed Patent and be able to freely exploit it; and

不可向任何第三方转许可或转让的相应许可或其标的。许可方应继续拥有许可专有技术和许可专利，并能够自由利用；以及

- 3.2.2 expanded to other configurations of the 100G/200G and 400G Optical Engines upon request by the Licensee, subject to agreement among the Parties on the timing and cost of providing the related designs.

应被许可方的要求，扩展到 100G/200G 和 400G 光学引擎的其他配置，但受制于双方就提供相关设计的时间和成本所达成的协议。

- 3.3 Licensor shall grant Licensee access to the Licensed Know-how by way of delivering to Licensee the Documentation as specified in Article 2.

许可方应通过向被许可方交付第 2 条规定的文件向被许可方授予许可专有技术的访问权。

- 3.4 The license of use right to the Licensed Know-how and Licensed Patent is limited only to the purpose set forth in Article 3.1 of this Agreement. In case that Licensee intends to use the Licensed Know-how and Licensed Patent for any other purpose, including but not limited to the development and/or the operation of other products, it shall separately conclude a related written agreement covering all relevant aspects (including, without limitation, compensation to the Licensor) with the Licensor in advance.

许可专有技术和许可专利的使用权许可仅限于本协议第 3.1 条规定的目的。如果被许可方打算将许可专有技术和许可专利用于任何其他目的，包括但不限于其他产品的开发和/或运营，则应提前与许可方另行订立涵盖所有相关方面的相关书面协议（包括但不限于补偿许可方）。

- 3.5 The Licensee shall immediately notify the Licensor in writing, giving full particulars, if any of the following matters come to its attention:

如果发现以下任何情况，被许可方应立即书面通知许可方，并提供详细信息：

- 3.5.1 any actual, suspected or threatened infringement of any of the Licensed Patents;

任何实际、涉嫌或潜在的许可专利侵权；

- 3.5.2 any actual, suspected or threatened unauthorized disclosure, misappropriation or misuse of the Licensed Know-how;

任何实际、涉嫌或潜在的未经授权的对许可专有技术的披露、盗用或滥用；

- 3.5.3 any actual or threatened claim that any of the Licensed Patents is invalid;

关于任何许可专利无效的实际或潜在的任何主张；

- 3.5.4 any actual or threatened opposition to any of the Licensed Patents;

对任何许可专利的实际或潜在的任何反对；

- 3.5.5 any claim made or threatened that exploitation of any of the Licensed Patents or the Licensed Know-how infringes the rights of any third party;

任何已经提出的或潜在的主张认为使用许可专利或许可专有技术侵犯了任何第三方的权利；

3.5.6 any person applies for, or is granted, a patent by reason of which that person may be, or has been, granted, rights which conflict with any of the rights granted to the Licensee under this Agreement;

任何人申请或被授予专利，且该人可能或已经被授予与本协议下授予被许可方的任何权利相冲突的权利；

3.5.7 any application is made for a compulsory license under any Licensed Patent; or  
任何在许可专利下的强制许可申请；或

3.5.8 any other form of attack, charge or claim to which the Licensed Patents or Licensed Know-how may be subject.

许可专利或许可专有技术可能遭受的任何其他形式的攻击、指控或主张。

### 3.6 Obligation to notify

通知义务

In respect of any of the matters listed in Article 3.5:

关于第 3.5 条所列事项：

3.6.1 the Licensor shall, in its absolute discretion, decide what action, if any, to take;  
许可方应自行酌情决定采取何种行动（如有）；

3.6.2 the Licensor shall have exclusive control over, and conduct of, all claims and proceedings;

许可方应独占控制所有索赔和诉讼程序并对其进行处理；

3.6.3 the Licensee shall not make any admissions other than to the Licensor and shall provide the Licensor with all assistance that it may reasonably require in the conduct of any claims or proceedings;

被许可方不得进行任何承认（向许可方承认除外），并应在进行任何索偿或诉讼时根据许可方合理的要求提供所有协助；

3.6.4 the Licensor shall indemnify the Licensee from

许可方应向被许可方补偿

(i) any costs of the defense,

任何辩护费用

(ii) any settlement,

任何和解

(iii) any fines levied, and/or

征收的任何罚款，和/或

(iv) damages awarded

赔偿金

for the infringement of third parties' rights by the use of the Licensed Know-how and Licensed Patents, but only after a final determination by a court of appropriate jurisdiction that the use of the Licensed Know-how and Licensed Patents by the Licensee in full compliance with this Agreement has been the cause for the infringement of such third parties' rights, and subject to a maximum liability of the Licensor under this clause 3.6.4 of an amount equal to the total investment amount made by SAIC at the time of the final judgement in relation to Licensor's liability under this clause; and

就使用许可专有技术和许可专利侵害第三方权利的情况，前提是拥有管辖权的法院最终裁定被许可方在完全遵守本协议的情况下使用许可专有技术和许可专利导致侵犯第三方权利，并且受制于本第 3.6.4 条的规定，许可方的最高责任为关于许可方在本条款下责任的最终判决做出时 SAIC 的总投资额；和

3.6.5 the Licensor shall bear the cost of any proceedings and shall be entitled to retain all sums recovered in any action for its own account.

许可方应自行承担任何法律程序的费用，并有权保留在任何诉讼中追回的所有款项。

3.7 The Licensee agrees not to commence any infringement actions in respect of any of the matters listed in Article 3.5, unless otherwise agreed in writing by the Licensor.

除非获得许可方的书面同意，否则被许可方同意不对第 3.5 条中所列的任何事项提起任何侵权诉讼。

## Article 4 Product Registrations

### 第四条 产品注册

4.1 The 100G/200G/400G optical engines may require regulatory approvals, filings, registrations or other authorisations from government regulatory bodies in China for its production, marketing and/or sale in respective territory provided in Article 3.1 (the "Product Registrations"). For such purpose, Licensee may initiate respective applications upon the prior written consent of the Licensor. Licensee shall, when preparing document submissions and meeting with government regulatory bodies or other third parties, observe its confidentiality obligations under Article 9 and disclose only such Confidential Information, as defined below, as absolutely necessary for the purpose of the Product Registrations. The Licensor has the right to participate in any related meetings of Licensee with third parties and review Product Registration application documents prior to submission.

100G/200G/400G 光学引擎可能需要获得中国政府监管部门的监管批准、备案、注册或其他授权以在第 3.1 条规定的相应地域内开展生产、推广和/或销售（“产品注册”）。

为此，被许可方可以在事先获得许可方的书面同意的情况下提出相应的申请。被许可方在准备文件提交并与政府监管机构或其他第三方会面时，应根据第 9 条遵守保密义务，并仅披露为产品注册目的绝对必要的保密信息（定义如下）。许可方有权参加被许可方与第三方的任何相关会议，并有权在产品注册申请文件提交之前进行审查。

- 4.2 Product Registrations may be held in the name of the Licensee if so required by mandatory laws. Licensee shall provide the Licensor with up-to-date copies of any Product Registration certificates and related correspondence with government regulatory bodies or filing agents upon Licensor's request.

如系法律强制性要求，产品可以以被许可方的名义进行注册。被许可方应根据许可方的要求，向许可方提供任何产品注册证书的最新副本以及与政府监管机构或备案代理人的有关往来信件。

## **Article 5 Records and Audits**

### **第五条 记录与审计**

- 5.1 Licensee shall itself keep accurate and complete books and records concerning any 100G/200G/400G optical engines manufactured and sold in the respective territory. The books and records shall include, without limitation, the date of the transaction involving sales of 100G/200G/400G optical engines, the respective net price and the number of items sold.

被许可方应自行保存在相应地域内生产和销售的任何 100G/200G/400G 光学引擎的准确和完整的账簿和记录。账簿和记录应包括但不限于销售 100G/200G/400G 光学引擎的交易日期、对应的净价和已售物品的数量。

## **Article 6 Trade names and marks**

### **第六条 商号和商标**

- 6.1 Licensee shall distribute, sell or otherwise make available 100G/200G/400G optical engines manufactured by it in accordance with relevant agreements concluded between the Parties. 100G/200G/400G optical engines distributed, sold or otherwise made available on respective territory's market provided in Article 3.1 shall bear the "POET" designation as stipulated and agreed on in a separate POET Trademark and Name License Agreement between the Licensor and the Licensee.

被许可方应根据双方达成的有关协议分销、销售或以其他方式提供由其制造的 100G/200G/400G 光学引擎。在第 3.1 条规定的对应地域市场内分销、销售或以其他方式提供的 100G/200G/400G 光学引擎应根据许可方与被许可方之间另行订立的 POET 商标和名称许可协议中规定和约定带有“POET”标识。

- 6.2 Licensee acknowledges that the exclusive ownership of Licensor's trade names and marks and any registration thereof and goodwill applicable thereto is vested in the Licensor. Licensee agrees to refrain from applying for any registration or other form of protection for any name, mark or other designation owned or used by or relating to the



Licensor or any Affiliate of Licensor, and also agrees to refrain from applying anywhere in the world for registration of any trademark, trade name, or domain name of Licensor or its Affiliates or any trademark, trade name, or domain name that is confusingly similar to those of Licensor or its Affiliates.

被许可方承认，许可方的商号、商标及与之相关的任何注册和适用商誉均归许可方专有。被许可方同意不就许可方或其任何关联方拥有、使用或与其相关的任何商号、商标或其他标识申请任何注册或其他形式的保护，还同意不在全球任何地区申请注册许可方或其关联方的任何商标、商号或域名或者与该等商标、商号或域名混淆性近似的商标、商号或域名。

## **Article 7      Supplies by Licensor**

### **第七条      许可方的供应**

7.1 For the Term of this Agreement, Licensee shall procure from Licensor, and Licensor shall supply exclusively to the Licensee, Optical Interposers designed for 100G and 200G Optical Engines. In the event that Licensor is unable to provide Optical Interposers to Licensee, the Board of Licensee shall decide unanimously to source Optical Interposers from a third-party supplier. Licensor and SAIC shall ensure that approval of sourcing from a third-party supplier by each director appointed by such party is not unreasonably withheld or delayed. Relevant reasons to withhold approval may include unreasonable additional cost or substantial breach of commitments to Licensee's customers caused by the procurement from such third-party supplier. The final selection of the third-party supplier shall be made by Licensor. Upon Board approval, Licensor shall license and qualify the third-party supplier of Optical Interposers for Optical Engines to the Licensee in accordance with the provisions of Joint Venture Contract.

在本协议期限内，被许可方应从许可方处获得，且许可方应向被许可方独家提供为 100G 和 200G 光学引擎设计的光学中介层。如果许可方无法向被许可方提供光学中介层，被许可方的董事会应一致决定从第三方供应商处采购光学中介层。许可方和 SAIC 应确保各方任命的董事就向第三方供应商采购一事不会无合理理由拒绝或延迟做出同意。相关的拒绝做出同意的理由可能包括向第三方供应商采购光学中介层会额外增加不合理的支出或实质违背被许可方对其客户的承诺。对第三方供应商的最终选择应由许可方决定。在董事会同意的情况下，许可方应按照合资合同的规定，向被许可方许可并限定的用于光学引擎的光学中介层的第三方供应商。

7.2 All other parts and raw material (except Components) may be sourced by Licensee at its sole discretion from third party sources.

其他零件和原材料（元件除外）可以由被许可方自行酌情决定从第三方采购。

7.3 Licensor shall provide to Licensee certain technical services in relation to the assembly of Optical Engines. Licensee may decide in its sole discretion whether or not to use such technical services. Licensor shall be paid remuneration for any technical services requested by and provided to Licensee at agreed market rates. The technical services under the Technical Services Agreement may be provided by Licensor by itself or through any of its Affiliates.

许可方应向被许可方提供有关光学引擎组装的技术服务。被许可方可以自行决定是否使用此类技术服务。许可方应按商定的市场价格根据被许可方要求向被许可方提供任何技术服务并取得报酬。技术服务协议下的技术服务可以由许可方提供，也可以通过其任何关联方提供。

## **Article 8      Foreground IP**

### **第八条      前景知识产权**

8.1      During the Term of this Agreement, Licensee shall continuously inform Licensor of any technical information, improvements, development, modifications, inventions, amendments, derivative works, software or documentation made or acquired by Licensee and arising from Licensor's Know-how, Licensed Patents, Documentation or Confidential Information (together the "Foreground IP"). Licensee shall continuously forward to Licensor the pertaining written or otherwise recorded technical information as soon as available to Licensee.

在本协议期限内，被许可方应持续告知许可方由被许可方制作或获得的或从许可方的专有技术、许可专利、文件或保密信息（统称“前景知识产权”）中衍生的任何技术信息、改进、开发、修改、发明、修订、衍生作品、软件或文档。被许可方应尽快将其书面或以其他方式记录的有关技术信息持续转发给许可方。

8.2      Licensee's Foreground IP shall be owned by Licensee and Licensee and/or its Affiliates shall, subject to Article 9 – Confidentiality – and subject to its obligation to keep Licensed Know-how protected as Licensor's ownership and unaffected by any application for statutory protection, be entitled to apply for any statutory protection in regard of Foreground IP. In the event Licensee (i) makes an invention which represents Foreground IP; and (ii) decides not or only limited in scope (e.g. limited by country or technical scope) to apply for statutory protection for such invention (e.g. via patent or utility model) Licensee shall reasonably in advance of any time limits offer the (remaining) rights under such invention to Licensor with the right to apply for respective statutory rights subject to the registration of the patent application right assignment agreement with the relevant authorities. In case Licensor decides to take over the invention, (i) Licensor shall bear its own costs and (ii) Licensee shall receive a right to use such invention and the respective intellectual property rights arising out of such invention according to the terms of this Agreement.

被许可方的前景知识产权应归被许可方所有，并且被许可方和/或其关联方应受制于第9条（保密）的规定，并受制于其保持许可专有技术为许可方所有且不受任何法定保护申请的影响的义务，有权申请有关前景知识产权的任何法定保护。如果被许可方（i）进行了代表前景知识产权的发明；（ii）决定不或仅在限制范围内（例如，受国家或技术范围的限制）为此类发明申请法定保护（例如，通过专利或实用新型）。被许可方应在任何时限之前向许可方合理提供此类发明下的（其他）权利，申请相应法定权利的权利须在有关部门注册专利申请权转让协议。如许可方决定接管发明，（i）许可方应自行承担其费用，并且（ii）被许可方应获得根据本协议的条款使用该发明的权利以及该发明产生的相应知识产权。

8.3      Licensee shall grant and hereby grants to Licensor the world-wide, royalty-free, perpetual and irrevocable right and license with the right to sub-license to use and to have used any Foreground IP. Licensee shall ensure that – in the event Licensee sells

any Foreground IP to a third party such third party shall be bound and accept the rights granted to Licensor under this Agreement. In case of sublicense of Foreground IP by Licensor to any other party, the Parties shall discuss the relevant terms and conditions (including royalty fee to be paid to Licensee) on case by case basis.

被许可方应向许可方授予并在此授予许可方在全球范围内的、免许可费的、永久的且不可撤销的权利和许可，以及转许可使用和已使用的任何前景知识产权的权利。被许可方应确保，如果被许可方向第三方出售任何前景知识产权，则该第三方应受本协议约束并接受根据本协议授予许可方的权利。如果许可方将前景知识产权转许可给任何其他方，则双方应逐案讨论相关的条款和条件（包括支付给被许可方的许可费）。

- 8.4 With regard to such Foreground IP developed or otherwise acquired by Affiliates of Licensee, Licensee shall ensure that it receives sufficient rights from such Affiliates in order to offer and grant to Licensor the rights as described in this Article.

对于被许可方的关联方开发或以其他方式获得的前景知识产权，被许可方应确保从此类关联方获得足够的权利，以向许可方提供和授予本条所述的权利。

## Article 9 Confidentiality

### 第九条 保密

#### 9.1 All Confidential Information

所有保密信息

- 9.1.1 shall be used by the receiving Party exclusively for the performance of the obligations or purposes set forth in this Agreement, unless otherwise expressly agreed to in writing by the disclosing Party;

应仅限接收方为履行本协议规定的义务或目的使用，除非披露方另行以书面方式明确同意；

- 9.1.2 shall not be distributed or disclosed in any way or form by the receiving Party to anyone except to the employees of the receiving Party or those employees of its Affiliate and except to legal advisers or bankers advising the receiving Party and/or its Affiliate with regard to the performance of the obligations or purposes set forth in this Agreement ("**Advisers**"), who each of them reasonably need to know such Confidential Information for the performance of the obligations or purposes set forth in this Agreement and who are bound to confidentiality either by their employment agreement or otherwise in writing to an extent not less stringent than the obligations imposed on the receiving Party under this Agreement. Prior to any disclosure to an Affiliate or to an Adviser, the receiving Party (i) must have in place a written agreement with such Affiliate or such Adviser imposing on such Affiliate or on such Adviser confidentiality obligations in respect of the Confidential Information not less stringent than the obligations imposed on the receiving Party under this Agreement, and (ii) provide the disclosing Party a copy of such written agreement with the respective Affiliate or Adviser;

不应被接收方以任何方式或形式向任何人分发或披露，除了接收方的员工或接收方关联方的员工以及为接收方和/或其关联方履行本协议规定的义务或目的提供意见的法律顾问或银行（“顾问”），前述人员为履行本协议规定的义务或目的确有合理需要知道该等保密信息，并依据其雇佣协议或以其它书面形式负有保密义务，程度不低于本协议规定的接收方保密义务的严格程度。在向某一关联方或顾问披露前，接收方（i）必须与该等关联方或该等顾问就该等关联方或该等顾问对于保密信息负有保密义务且程度不低于本协议规定的接收方保密义务的严格程度达成书面协议，以及（ii）向披露方提供与相应关联方或顾问签署的此类书面协议的副本。

9.1.3 shall be kept confidential by the receiving Party; and

应由接收方保密；以及

9.1.4 shall remain the property of the disclosing Party.

应仍为披露方的财产。

9.2 The obligations under Article 9.1 shall not apply, however, to any information which:

但第 9.1 条的义务不应适用于以下任何信息：

9.2.1 was in the receiving Party's possession without confidentiality obligation prior to receipt from the disclosing Party;

接收方在从披露方接收前已经知晓且不承担保密义务的信息；

9.2.2 is at the time of disclosure already in the public domain or subsequently becomes available to the public through no breach by the receiving Party of this Agreement;

在披露时已经进入公共领域或者随后非因接收方违反本协议而为公众所知晓的信息；

9.2.3 is lawfully obtained by the receiving Party from a third party without an obligation of confidentiality, provided such third party is not, to the receiving Party's knowledge, in breach of any confidentiality obligation relating to such information;

接收方从第三方处合法获得的且不需承担保密义务的信息，只要据接收方所知该第三方没有违反该保密信息的任何保密义务；

9.2.4 is developed by the receiving Party independently from Confidential Information or under the exceptions as set out in Article 9.2.1-9.2.3 or 9.2.5; or

由接收方不依赖保密信息独立开发得到的或属于第 9.2.1-9.2.3 或 9.2.5 条规定的例外情形的信息；或

9.2.5 is approved for release by written agreement of the disclosing Party.

由披露方通过书面协议许可发布的信息。

The Party seeking the benefit of such exception shall bear the burden of proving its existence.

希望从该等例外中受益的一方应承担证明该例外存在的举证责任。

The receiving Party may disclose information of the disclosing Party if the receiving Party is required to do so by any ruling of a governmental or regulatory authority within its scope of competency or court or by mandatory law, provided that written notice of such ruling is given without undue delay to the disclosing Party so as to give the disclosing Party an opportunity to intervene and provided further that the receiving Party uses reasonable efforts to obtain assurance that the information will be treated confidentially. Information which is disclosed in such way must be marked "Confidential".

如果任何政府或监管机构或法院在其职权范围内的裁决或强制性法律规定要求接收方披露披露方的信息，接收方可以披露该等信息，前提是该规定/裁决被毫不迟延地书面通知披露方以使披露方有机会干预，并且接收方采取了合理的努力以获得该等信息将被保密的保证。以上述方式披露的信息应被标明“保密”。

- 9.3 The receiving Party will derive no rights of any kind, in particular no rights of prior use, from the fact that they as a result of the Confidential Information may possibly obtain knowledge of patentable inventions for which the other Party may possibly apply for Intellectual Property Rights. The receiving Party shall not be entitled to file for patents or other statutory protection in any country based on or using any information received hereunder, and any such patent or statutory protection must be transferred to the disclosing Party upon its request and without any charge.

接受方不得基于其通过保密信息而可能获得可注册专利发明的相关知识（该知识可能被另一方用以申请知识产权）这一事实而获得任何权利，尤其是在先使用权。接收方无权基于或使用在本协议项下收到的任何信息在任何国家申请专利或任何法律保护，并且任何该等专利或法律保护必须根据披露方的请求免费地转让移至披露方。

- 9.4 All information disclosed between the Parties including those exchanged electronically and/or on record-bearing media, as well as any copies thereof, shall, upon termination or expiration of this Agreement and respective written request of the disclosing Party, at the receiving Party's discretion, either be returned to the disclosing Party or be destroyed by the receiving Party after termination or expiration of this Agreement. This shall not include copies of electronically-exchanged information made as a matter of routine information technology backup. Such request shall be made in writing by the disclosing Party to the receiving Party within ninety (90) days after expiration or termination of this Agreement. In case of destruction, the receiving Party shall confirm in writing such destruction to the disclosing Party within fourteen (14) days after receipt of the respective request.

双方之间互相披露的所有信息，包括以电子和/或录音介质交换的内容以及其任何副本，应在本协议终止或期满之时经披露方书面请求，由接收方酌情决定归还披露方或在本协议终止或期满后由接收方销毁。此类信息不应包括作为日常信息技术备份的电子交换信息的副本。披露方应在本协议期满或终止后的九十（90）天内以书面形式发出接受方请求。如遇销毁的情形，接受方应在收到相关请求后十四（14）天内就该等销毁向披露方书面确认。

This Article 9.4 shall not apply to disclosed information or copies thereof which (i) the receiving Party is entitled to use after the expiration or termination of this Agreement, (ii) must be stored by the receiving Party or its consulting firm according to mandatory law, provided that such information or copies thereof shall be subject to an indefinite confidentiality obligation according to the terms and conditions set out herein.

本第 9.4 条不适用于以下披露的信息或其副本：（i）接收方在本协议期满或终止后有权使用的，（ii）根据强制性法律规定接收方或其咨询公司必须存储的信息，前提是该信息或其副本应根据本协议的条款和条件无限期予以保密。

9.5 The obligations of this Article 9 shall survive ten (10) years after termination or expiration of this Agreement.

本第 9 条的义务应在本协议终止或期满后的十（10）年内继续有效。

## **Article 10 Warranty and Liability**

### **第十条 担保及责任**

10.1 During the term of this Agreement Licensor undertakes to use all reasonable efforts at its own costs to correct all errors, if any, found in the Documentation in accordance with Article 2.6 above.

在本协议期限内，许可方承诺尽一切合理努力根据第 2.6 条纠正错误（如有），并自行承担相关费用。

10.2 Article 10.1 shall apply mutatis mutandis to Licensee with respect to any license of Foreground IP.

对于前景知识产权的任何许可，第 10.1 条应参照适用于被许可方。

10.3 Licensor warrants, to the best of the Licensor's knowledge, the Licensed Know-how and Licensed Patents do not infringe any patent, copyright, trademark or trade secret of a third party.

许可方保证，据许可方知晓，许可专有技术和许可专利不侵犯第三方的任何专利、著作权、商标或商业秘密。

10.4 Except as provided in Articles 10.1 through 10.3, neither Party gives any warranty or assumes any responsibility or liability with respect to any technical information, software or service provided to the other Party under this Agreement or to the validity or maintenance of any intellectual property rights licensed to the other Party hereunder. In particular,

除第 10.1 条到第 10.3 条的规定外，任何一方均不对根据本协议提供给另一方的任何技术信息、软件或服务，或根据本协议许可给另一方的任何知识产权的有效性或维持性承担任何义务或责任。尤其是，

(i) neither Party gives any warranty or assumes any responsibility or liability with respect to the ability of the other Party to successfully use any technical information provided to such other Party hereunder for the manufacture of 100G/200G/400G optical engines and/or modifications and/or improvements

thereof or for any further exploitation or implementation of licenses granted to such other Party under this Agreement; and

任何一方均未就另一方成功使用根据本协议提供给该另一方的任何技术信息以制造 100G/200G/400G 光学引擎和/或进行修改和/或改进或用于进一步开发或实施根据本协议授予该另一方的许可的能力提供任何保证或承担任何责任或义务；以及

- (ii) neither Party warrants that 100G/200G/400G optical engines and/or modifications and/or improvements thereof manufactured by the other Party achieve a certain standard of quality or level of performance and/or do not infringe intellectual property rights of third parties.

任何一方均不保证另一方制造的 100G/200G/400G 光学引擎和/或其修改和/或改进能达到一定的质量标准或性能水平和/或不侵犯第三方的知识产权。

10.5 The provisions of this Article 10 shall survive any termination or expiration of this Agreement.

第 10 条的规定在本协议终止或期满后仍有效。

## **Article 11 Force Majeure**

### **第十一条 不可抗力**

Neither Party shall be held responsible or liable for the non-fulfillment of any of its obligations under this Agreement, provided and as long as such Party is hindered or prevented from fulfillment by any circumstances of "Force Majeure", which are deemed to include any events which are internationally recognized as occurring beyond a person's or company's reasonable control, such as, but not limited to, war, riot, strike, lock-out, flood, epidemics, other natural catastrophes, or terrorist attacks, and provided that the Party directly frustrated notifies the other Party without delay and in writing the beginning and end of any such circumstances. The Party directly frustrated shall use all reasonable efforts to minimize the hindrance or prevention from such fulfillment. Should circumstances of Force Majeure uninterruptedly hinder or prevent a Party from fulfillment of any of its obligations hereunder for a period exceeding six (6) months, the other Party shall be entitled to ask for an appropriate amendment of this Agreement or to terminate this Agreement by three (3) months written notice. A declaration to this effect shall be disregarded, if said circumstances of Force Majeure cease to exist within such three (3) months period.

任何一方均不对未履行本协议下的任何义务负责或承担任何责任，但前提是该方受到任何“不可抗力”情况的妨碍或阻止，此等不可抗力包括国际公认的超出个人或公司合理控制范围的事件，包括但不限于战争、暴动、罢工、封锁、洪水、流行病、其他自然灾害或恐怖袭击，但受到直接影响的一方应立即通知另一方，并书面通知任何此类情况的开始和结束。受到直接影响的当事方应尽一切合理努力，最大程度地减少阻碍或防止此类妨碍的实现。如果不可抗力的情况在超过六（6）个月的时间内不间断地妨碍或阻止一方履行其在本协议项下的任何义务，另一方有权要求对本协议进行适当的修改或提前三（3）个月书面通知以终止本协议。如果不可抗力情况在此三（3）个月内不复存在，则无须进行声明。

## Article 12 Effective Date, Term, Termination

### 第十二条 生效日期，期限及终止

- 12.1 This Agreement shall be established after being signed by both Parties and shall enter into force after (i) all approvals necessary for this Agreement and its performance, if any, are granted to and received by the Parties; (ii) Licensee has obtained its business license which reflects the Joint Venture Contract in all substantial criteria, and (iii) the board of directors of the Licensee has approved this Agreement (“Effective Date”).

本协议应经双方签署后成立，并应在（i）双方获得并收到本协议及其履行所必需的全部批准（如果有）、（ii）被许可方获得在全部实体方面体现合资合同的营业执照，以及（iii）被许可方的董事会批准本协议后生效（“生效日期”）。

Licensee shall within one (1) month of the date of execution of this Agreement carry out all recordal, registration and approval proceedings in Licensee's country required for the performance of this Agreement. Licensee shall inform Licensor about any steps planned for the application of such recordal, registration and/or approval proceedings in due time so that Licensor may participate in any meetings with authorities or other third parties by itself or a representative nominated for such purpose.

被许可方应在本协议签署之日起一（1）个月内在被许可方所在国家/地区实施履行本协议所需的所有记录、注册和批准程序。被许可方应在适当的时候通知许可方有关为实施此类记录、注册和/或批准程序而计划采取的任何步骤，以便许可方可以自行参与与政府机构或其他第三方或该第三方为此目的指定之代表进行的任何会议。

Either Party shall without undue delay furnish a certified true copy of all such registration, approval and/or recordal certificates to the other Party or shall inform the other Party in writing if it turns out that no approval is necessary.

任何一方均应立即向另一方提供所有此类注册、批准和/或记录证书的经认证的真实副本，或应就不需要获得批准的情况书面通知另一方。

- 12.2 Unless earlier terminated as set forth in Article 11 or in Article 12.3, this Agreement shall continue in effect until the Joint Venture Contract expires or is terminated for whatever reason or the Licensee is liquidated.

除非根据第 11 或第 12.3 条提前终止，本协议应持续有效直至合资合同到期或因任何原因被终止或被许可方被清算。

- 12.3 This Agreement may be prematurely terminated in writing with immediate effect by a Party having such right as herein below provided - and notwithstanding any other rights such Party may have - upon the occurrence of one of the following events:

如发生下列任一情况，具有下述规定权利的任一方可以立即以书面形式提前终止本协议（尽管该方可能拥有其他权利）：

- (i) by either Party in the event that the other Party voluntarily files a petition in bankruptcy or has such a petition involuntarily filed against it (which petition is not discharged within thirty (30) days after filing), or is placed in an



insolvency proceeding, or if an order is entered appointing a receiver or trustee or a levy or attachment is made against a substantial portion of its assets which order shall not be vacated within thirty (30) days from date of entry, or if any assignment for the benefit of its creditors is made;

如果另一方自愿提出破产申请，或非自愿地被提出破产申请（该申请在提出后三十（30）天内未解除），或处于破产程序，或已被命令为其大部分的资产指定接管人或受托人，或其大部分资产被征收或扣押，且该命令不会在生效之日起三十（30）天内撤消，或者其债权人的利益被转让；

- (ii) by either Party if the Joint Venture Contract expires or is terminated or if such Party has a termination right under the Joint Venture Contract.

如果合资合同到期或被终止，或者该方根据合资合同拥有终止权。

### **Article 13 Rights and Obligations after Termination**

#### **第十三条 终止后的权利及义务**

- 13.1 In case of any termination of this Agreement, Licensee shall discontinue the use of the Licensed Know-how, Documentation and Licensed Patents and shall return any information furnished by Licensor including Documentation and business records, technical data, drawings, designs, price lists, advertising material and copies thereof.

如果本协议终止，被许可方应停止使用许可专有技术、文件和许可专利，并且应返还许可方提供的任何信息，包括文件和业务记录、技术数据、图纸、设计、价目表、广告材料及其副本。

- 13.2 In case any Product Registrations are completed or pending in the name of Licensee the Licensee shall cause such Product Registrations to be transferred to the Licensor or any third party nominated by Licensor. In case such transfer is not possible or cannot be achieved by Licensee within sixty (60) days of termination or expiry of this Agreement Licensor may request Licensee to cancel the Product Registrations which cannot be or have not been transferred to Licensor.

如任何产品注册系以被许可方名义完成或待完成的，被许可方应促使此类产品注册转让至许可方或许可方任命的任何第三方名下。如此类转让不可行或被许可方在本协议被终止或到期的六十（60）天内无法完成的，许可方可以要求被许可方注销不可或未转让至许可方的产品注册。

- 13.3 Termination of this Agreement shall not relieve a Party of any duty, claim or liability arisen or fallen due prior to termination.

本协议的终止不应免除一方在终止前应承担的任何义务、索赔或责任。

- 13.4 Articles 9, 10, 12, 13 and 15 shall survive any termination of this Agreement.

本协议终止后，第 9、10、12、13 和 15 条应继续有效。

## **Article 14 Breach of Contract**

### **第十四条 违约**

- 14.1 If a Party fails to perform any of its obligations under this Agreement or if a Party's representation or warranty under this Agreement is untrue or materially inaccurate, such Party shall be deemed to have breached this Agreement. The Party in breach shall have thirty (30) days from receipt of notice from the other Party specifying the breach to cure such breach. If, after such thirty (30) day period, the breach is not cured to the reasonable satisfaction of the non-breaching Party, then the Party in breach shall be liable to the other Party for all direct and foreseeable damages. In the event more than one Party is in breach of the Agreement, each such Party shall bear its respective liability according to actual circumstances. Termination of this Agreement by either Party under Article 12 shall not exclude or affect in any way that Party's right to damages or any other remedy whether under this Article 14 or otherwise.

如果一方未能履行其在本协议项下的任何义务，或者一方在本协议项下的陈述或保证不真实或存在实质性错误，则应视为该方违反了本协议。违约方应在收到另一方指明违约的通知后三十（30）天内纠正违约行为。如果在三十（30）天的期限后，违约行为未得到非违约方合理满意程度的解决，则违约方应对另一方承担所有直接和可预见的损害赔偿。如果有一个以上的缔约方违反本协议，则每个缔约方应根据实际情况承担各自的责任。任何一方根据第 12 条终止本协议，均不排除或影响该方在第 14 条或其它条款下的损害赔偿权或其他救济权。

- 14.2 For any breach of Articles 3, 9 and/or 13 the non-breaching Party has the right to claim liquidated damages from the breaching Party in the amount of RMB 2,000,000 for each such breach, subject to the right of the non-breaching Party to claim further damages if and as so incurred. For breaches continuing over a period of time, each week of such continuous breach shall be regarded as one breach incurring the amount of liquidated damages.

对于违反第 3、9 和/或第 13 条的情况，非违约方有权就每次违约要求违约方支付违约金人民币 2,000,000 元，但不影响非违约方要求进一步赔偿（如有）的权利。对于持续一段时间的违约行为，持续违约的每个星期应被视为一次违约并产生违约金。

## **Article 15 Dispute Resolution**

### **第十五条 争议解决**

- 15.1 The Parties hereto will try to resolve any dispute, controversy or claim arising out of or in connection with this Agreement through friendly consultations between the Parties. But, if no settlement is reached within twenty (20) days from the date one Party notifies the other Party in writing of its intention to submit the dispute, controversy or claim to arbitration in accordance with this paragraph, then any such dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof, shall be finally and exclusively settled by arbitration conducted by the Singapore International Arbitration Center ("SIAC") in accordance with the Singapore International Arbitration Centre Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these Rules.

双方将通过友好协商方式解决因本协议引起的或与本协议有关的任何争端、争议或索赔。但是，如果在一方书面通知另一方其意欲根据本条款规定将争端、争议或索赔提交仲裁之日起二十（20）天内双方仍无法达成协议，则由本协议产生或与本协议相关的争端、争议或索赔，或本协议之违约、终止、无效，应由新加坡国际仲裁中心（“SIAC”）根据仲裁通知递交时有效的新加坡国际仲裁中心机构仲裁规定仲裁，仲裁裁决具有终局性和排他性。

- 15.2 The place of arbitration will be in Singapore at the SIAC. The arbitration proceedings will be conducted in English with Chinese translation.

仲裁地点为新加坡的新加坡国际仲裁中心。仲裁程序将以英文进行并配有中文翻译。

- 15.3 The arbitration tribunal will consist of three arbitrators. The Licensor shall appoint one arbitrator and the Licensee shall appoint one arbitrator. The presiding arbitrator will be nominated by the arbitrators selected by the Parties or, failing which within ten days from SIAC's confirmation of the second arbitrator, be appointed by the SIAC Council.

仲裁庭由三名仲裁员组成。许可方和被许可方将各指定一名仲裁员。首席仲裁员由双方选定的仲裁员指定，如果未能在新加坡国际仲裁中心确认第二名仲裁员后十天内指定，则首席仲裁员由新加坡国际仲裁中心理事会任命。

- 15.4 The arbitration award is final and binding on the Parties, and the Parties agree to be bound thereby and to act accordingly. The costs of arbitration and the costs of enforcing the arbitration award (including witness expenses and attorneys' reasonable fees) will be borne by the Party who shall perform obligations or bear the liability of breach under the arbitration award, unless otherwise determined by the arbitration award.

仲裁裁决是终局的，对双方均有约束力，双方同意受其约束并据此行事。仲裁费用和执行仲裁裁决的费用（包括证人费用和律师合理费用）由依据仲裁裁决履行义务或承担违约责任的一方承担，除非仲裁裁决另有规定。

- 15.5 In any proceedings under or relating to the arbitration, each Party will cooperate with the other Party in making full disclosure of and providing complete access to all information and documents reasonably requested by the other Party in connection with such arbitration proceeding.

在仲裁程序或有关程序中，一方都将与另一方合作，充分披露并提供给另一方合理要求的与该仲裁程序有关的所有信息和文件的完整访问权。

- 15.6 Any arbitration award may be enforced by any court having jurisdiction over the Party against which the award has been rendered, or wherever assets of that Party are located.

任何仲裁裁决均可由对被执行方或被执行方财产所在地具有管辖权的任何法院执行。

- 15.7 By agreeing to the settlement of any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity hereof by arbitration, each Party irrevocably waives its right to any form of appeal, review or recourse to any court or other judicial authority, insofar as such waiver may be validly made.

各方同意通过仲裁解决因本协议引起的或与本协议有关的任何争端、争议或索赔，或本协议之违约、终止或无效，不可撤销地放弃其向任何法院或其他司法机构提出任何形式的上诉、复审或追索的权利，只要此类放弃是有效的。

## **Article 16    Applicable Law**

### **第十六条    适用法律**

This Agreement shall be governed by and construed in accordance with the laws of the PRC without reference to the substantive law of any other country.

本协议应受中华人民共和国法律管辖并据其解释且不参考任何其他国家的实体法。

## **Article 17    Miscellaneous**

### **第十七条    其他条款**

17.1 This Agreement cannot be modified except by written instrument signed by both Parties. This requirement of written form can only be waived in writing. If this Agreement requires a notice or document to be "in writing" or "in written form", such notice or document shall be duly signed by the sender by such person or persons duly authorized to legally bind the Party, and the signed notice or document shall be delivered, sent or transmitted to the other Party in its original form. For the avoidance of doubt electronic communication shall not qualify as a written notice or document.

除非双方签署书面文件，否则不得修改本协议。这种书面形式的要求只能以书面形式放弃。如果本协议要求通知或文件应以“书面”或“书面形式”，则该通知或文件应由寄送方合法授权之人正式签署后对该方有法律约束力，且应将已签署的通知或文件原件递送、发送或传送至另一方。为避免疑义，电子通讯方式不得作为书面通知或文件。

17.2 Except otherwise provided in this Agreement, communications between Licensor and Licensee shall be given in writing, by registered post and by email, in Chinese and English language to the following addresses of the Parties or to such other addresses as the Party concerned may subsequently notify in writing to the other Party:

除非本协议中另有规定，许可方与被许可方的通信应以书面形式进行，用中文和英文通过挂号信和电子邮件发送至双方的如下地址或相关一方随后可能以书面形式通知另一方的其它地址：

If to Licensor to/发送至许可方：

POET Technologies Inc.

Attn/收件人：Vivek Rajgarhia

Title/职务：President/总裁

Address/地址：120 Eglinton Avenue East, Suite 1107, Toronto ON M4P 1E2

Tel/电话: (416) 368-9411

Email/电子邮箱: vivek@poet-technologies.com

If to Licensee to/发送至被许可方:

Super Photonics Xiamen Co., Ltd./厦门超光集成有限公司

Attn/收件人:

Title/职务:

Address/地址:

Tel/电话:

Fax/传真:

- 17.3 Neither the rights nor the obligations from this Agreement may be assigned or transferred in any manner, except with the prior written consent of the other Party and except as part of a transfer on the side of Licensor of all or of a substantial part of the activities to which the subject matter of this Agreement pertains whether by sale, merger or consolidation provided, however, that Licensor may assign any and all of its rights and obligations without the prior written consent of the Licensee to a Licensor Affiliate. In case of such a transfer the respective Party shall take care that the transferee, assignee or successor will comply with this Agreement.

本协议下的权利和义务不得以任何方式转让或让渡，除非事先获得另一方的书面同意，并且除了作为许可方将本协议标的有关活动的全部或重大部分通过销售、兼并购或合并等方式转让的一部分，但前提是许可方可以不经被许可方事先书面同意将其任何和全部权利和义务转让给许可方的关联方。在该等转让中，相关方应注意使受让方、承让方或承继方遵守本协议。

- 17.4 If any of the provisions of this Agreement shall be adjudged to be invalid, illegal or unenforceable, unless the basic intentions of the Parties under this Agreement are substantially jeopardized, the validity, legality, and enforceability of the remaining provisions of this Agreement shall in no way be affected or impaired thereby and shall be enforced to the maximum extent permitted by applicable law. In such a case the Parties shall come to an agreement approximating as closely as possible the arrangement originally envisaged in this Agreement. The same applies to the closing of gaps in the Agreement.

若本协议中任何条款应被判定无效、不合法或无法执行，除非双方在本协议中的基本意图受到实质性危害，否则本协议其余条款之有效性、合法性与可执行性应不以任何方式受到影响或损害，并应在适用法律允许的最大程度内得以执行。在这种情况下，双方应在尽可能忠于本协议原先设想的安排达成新协议。此条亦适用于消除本协议存在的缺漏之处的情况。

- 17.5 This Agreement constitutes the entire understanding and agreement between the Parties with respect to the subject matter and shall supersede and cancel all previous agreements, negotiations and commitments, either oral or written, relating hereto.

本协议构成双方就标的所达成的全部理解与协议，并应替代、取消先前所有相关口头或书面协议、磋商及承诺。

The Annexes to this Agreement forms an integral part of this Agreement. In the event of conflicts between the provisions of any Annex and those in the body of this Agreement, the provisions in the body of the Agreement shall take precedence over those in any Annex unless such Annex expressly revokes the relevant Article in the body of the Agreement.

本协议附件为本协议不可分割的组成部分。若任何附件的条款与本协议正文条款冲突，除非该等附件明确规定撤销本协议正文中的相关条款，本协议正文中条款的效力应优先于任何附件条款。

- 17.6 No explicit or implied waiver by any of the Parties to this Agreement of any breach of any term, condition or obligation of this Agreement shall be construed as a waiver of any subsequent or continuing breach of that term, condition or obligation or of any other term, condition or obligation of this Agreement of the same or of a different nature. Any waiver, consent, or approval of any kind regarding any breach, violation, default, provision or condition of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing.

任一方明示或默示不追究对本协议任何条款、条件或义务的违约行为不应被解释为不追究对该条款、条件或义务或本协议中任何相同或不同性质的其他条款、条件或义务的任何后续或持续违约行为。对于对本协议的违约、违反、不履约、条款或条件的任何形式的不追究、同意或批准必须以书面形式进行，且仅在书面规定的具体范围内有效。

- 17.7 Each Party agrees, upon reasonable request by the other Party to consent to the registration of this Agreement to the extent required by applicable law and without expense to this Party. Each Party waives any and all claims or defenses arising by virtue of the absence of such registration that might otherwise limit or affect its obligations to the other Party.

每一方同意，应另一方合理请求，在适用法律规定的范围内及不承担相关费用的前提下同意对本协议进行登记。每一方放弃因未进行上述登记而可能导致另一方所承担的义务受到其他限制或影响的任何及所有权利主张或辩护。

- 17.8 Each Party shall ensure that this Agreement shall not be transferred by way of operation of law (e.g., by way of merger, consolidation or otherwise) to any third party without the written consent of the other Party (which shall be given either prior to or after the transfer of this Agreement at the sole discretion of the Party from whom such consent is sought), unless otherwise provided for in Article 17.3. Licensee shall inform Licensor in writing when this Agreement will be transferred by way of operation of law to a third party, or latest ten (10) days after this Agreement has been transferred by way of operation of law to a third party. In such case Licensor may terminate this Agreement with immediate effect by informing Licensee in writing.

每一方应确保，未经另一方书面同意（该等同意应由被寻求同意的一方在本协议转让之前或之后自行酌情做出），本协议不得通过法律运作（如兼并、合并或其它方式）转让给任何第三方，但在第 17.3 条中另行规定的除外。被许可方应当在本协议将要通过法律运作方式转让给第三方时，或在本协议已经通过法律运作方式转让给第三方后最迟十（10）日内，以书面形式告知许可方。在此情况下，许可方可以书面通知被许可方终止本协议并立即生效。

- 17.9 The term “Knowledge” when used in the phrases “to the best of the Licensor's Knowledge” or words of similar import shall mean the actual knowledge of the Licensor's directors and chief officers, assuming that each such person has made a reasonable inquiry and investigation concerning any past infringement claims and actual 'Freedom-To-Operate' exercises carried out in the past.

“知晓”一词在“据许可方知晓”或类似含义的词组中使用，应表示在对任何过去的侵权索赔以及过去实际进行的“自由实施”检索均进行了合理的询问和调查的情况下，许可方的董事和首席高管的实际知晓情况。

- 17.10 This Agreement is written in both English and Chinese. In case of any conflicts or discrepancies between the two language versions, the Parties will conduct good faith negotiations to establish a prevailing version taking into account the intentions the Parties had when entering into this Agreement. If the Parties fail to reach agreement, the English version shall prevail.

本协议以英文和中文写就。若两种语言文本有任何冲突或不一致之处，则双方将进行诚挚协商，根据双方在签署本协议时的意图来确定以哪一个文本为准。如果双方不能协商一致，应以英文文本为准。

- 17.11 This Agreement may be executed and delivered in any number of counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement and shall be enforceable as such.

本协议可签署和交付多份对签文本，每份该等对签文本一经签署即应视为原件，而所有该等对签文本应共同构成同一份协议，并按同一份协议予以执行。

Place/地点:

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Name/姓名:

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(Print 正楷)

Title/职务:

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Name/姓名:

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(Print 正楷)

Title/职务:

---



Place/地点:

---

Name/姓名:

---

(Print 正楷)

Title/职务:

---

Name/姓名:

---

(Print 正楷)

Title/职务:

---

**Annex 1**  
**Components**

**附件 1**

**元件**

Licensee shall procure Components produced by and from SAIC as listed below:

被许可方应从 SAIC 处采购由 SAIC 生产的如下元件:

**Annex 2**

**Documentation**

**附件 2**

**文件**

**Annex 3**

**Contribution Schedule**

**附件 3**

**出资时间表**

**Annex 4**

**Licensed Patents**

附件 4

许可专利

**SCHEDULE C**

**附件 C**

**POET Device Technology License Agreement**

**POET 器件技术许可协议**

by and between 由以下双方签订

**POET Technologies Inc.**

a publicly listed Company duly formed and validly existing in Canada with its registered address of 120 Eglinton Avenue East, Suite # 1107, Toronto, Ontario, Canada

**POET Technologies Inc.**

一间在加拿大合法设立且有效存续的公司，其注册地址为加拿大安大略省多伦多市艾林顿东街 120 号 1107 室

- hereinafter referred to as "**Licensor**" -

- 以下简称“许可方” -

And 和

**Super Photonics Xiamen Co., Ltd.**

a limited liability company incorporated and existing under the laws of the People's Republic of China with its registered address at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, People's Republic of China

**厦门超光集成有限公司**

一间根据中华人民共和国法律合法设立且有效存续的有限责任公司，其注册地址是中国厦门市同安区洪塘镇民安大道 799 号 6 楼

- hereinafter referred to as "**Licensee**" -

- 以下简称“被许可方” -

- Licensee and Licensor hereinafter collectively referred to as "Parties" and individually referred to as "Party" -

- 许可方和被许可方以下合称“双方”，单独称作“一方” -

[            ]2020

2020 年    月    日

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<b><u>Annex 4</u></b>	Licensed Patents
<b><u>附件 4</u></b>	许可专利



WHEREAS, the Licensor is an innovative optical technology enterprise with special know-how and technology in 100G/200G/400G optical engines which Licensor has developed and is still developing.

鉴于，许可方是一家创新型光学技术企业并拥有其已研发及正在研发的 100G、200G 和 400G 光学引擎的相关特殊专有知识与技术。

WHEREAS, the Licensee is established as a joint venture company between the Licensor and Xiamen San'an Integrated Circuit Co., Ltd. (hereinafter referred to as "**SAIC**"), a limited liability company incorporated and validly existing in Xiamen, People's Republic of China, with its registered address at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, People's Republic of China, by operation of the Joint Venture Contract as defined below, to conduct application design, assembly, test, integration, marketing and sale of 100G/200G/400G optical engines based on the **POET Optical Interposer™** for data communications and telecommunications applications in China.

鉴于，被许可方系由许可方与厦门市三安集成电路有限公司（以下简称“**SAIC**”）共同设立的合资公司，其作为有限责任公司在中国厦门成立并有效存续，注册地址是中国厦门市同安区洪塘镇民安大道 799 号 6 楼。被许可方通过履行合资合同（定义如下），在中国从事用于数据通信及电信应用的基于 **POET 光学中介层™** 之 100G、200G 和 400G 光学引擎的应用设计、组装、调试、集成、营销。

WHEREAS, the shareholders of Licensee have agreed in the Joint Venture Contract (as defined below) that the Licensee shall receive from Licensor certain of Licensor's know-how and technology for the Manufacturing of Devices on the POET Optical Interposer, including epi design, process and device architecture, masks, flip chip and coplanar contact formation, side-entry PD designs for high-performance, self-aligned mechanical and optical alignment features in die for high placement accuracy.

鉴于，被许可方的股东在合资合同（定义如下）中同意被许可方应从许可方处获得许可方的专有知识和技术生产 POET 光学中介层的器件，包括 epi 的设计、工艺和器件架构，掩膜，倒装芯片和共面接触形成，侧入式 PD 设计，用以在芯片中实现高性能，自对准机械和光学对准功能，以实现高精度贴装。

NOW THEREFORE, the Parties agree as follows:

有鉴于此，双方同意如下：

## **Article 1      Definitions**

### **第一条      定义**

The following terms shall have the meanings set out below:

下列术语应具有如下含义：

- 1.1 **"Affiliate"** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For the purpose

of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, shall mean ownership of fifty percent (50%) or more of the registered capital, equity share, and/or assets or the power to appoint or elect the majority of the directors of a company.

**“关联方”**是指直接或间接控制任何人、受任何人控制或者与任何人共同受控制的其他人。在本定义中，“控制”（包括含义相关的“控制”、“受控制”和“受共同控制”）是指任何人拥有一间公司的不低于百分之五十（50%）的注册资本、股权和/或资产或者多数董事任命权或选举权。

1.2 **"Adviser"** means the term as set forth in Article 9.1.2.

**“顾问”**见本协议第 9.1.2 条的规定。

1.3 **"Agreement"** means this Technology License Agreement including all Annexes and any matters specifically incorporated herein by reference and made a part hereof.

**“协议”**是指本技术许可协议，包括所有附件以及通过引用明确并入本协议并成为其一部分的任何内容。

1.4 **"China Territory"** means the term as set forth in Article 3.1.2.

**“中国地区”**见本协议第 3.1.2 条的规定。

1.5 **"Confidential Information"** means any information and data, including without limitation, any kind of business, commercial or technical information and data disclosed between the Parties in connection with the implementation of this Agreement, irrespective of the medium in which such information or data is embedded, which is not public. Confidential Information shall include any copies or abstracts made thereof as well as any apparatus, modules, samples, prototypes or parts thereof. Documentation and Licensed Know-how shall in any event qualify as Confidential Information.

**“保密信息”**是指双方为实施本协议披露的任何不公开的信息和数据，包括但不限于双方就本协议的实施而披露的任何业务、商业或技术信息和数据，且不论这些信息或数据的存储媒介。保密信息应包括其制成的任何副本或摘要，以及其任何仪器、模块、样品、原型或零件。在任何情况下，文件和许可专有技术均应视为保密信息。

1.6 **"Devices"** means the devices to be integrated in the 100G/200G/400G Optical Engines by the Licensee and listed in Annex 1.

**“器件”**指附件 1 所列由被许可方集成到 100G/200G/400G 光学引擎中的器件。

1.7 **"Documentation"** means the Licensed Know-how in recorded form and the user manuals in either printed or machine-readable form as made available from Licensor to Licensee and listed in Annex 2.

**“文件”**指附件 2 所列由许可方提供给被许可方的许可专有技术记录以及用户手册印刷品或机读文档。

1.8 **"Effective Date"** means the date this Agreement enters into force as per Article 12.1.

“生效日期”指按第 12.1 条规定本协议生效的日期。

1.9 **"Foreground IP"** means the term as set forth in Article 8.1.

“前景知识产权”见本协议第 8.1 条的规定。

1.10 **"Joint Venture Contract"** means the joint venture contract between the Licensor and SAIC for the establishment of the Licensee.

“合资合同”是指许可方和 SAIC 就被许可方的设立订立的合资合同。

1.11 **"Licensed Know-how"** means all technical information relating to the Manufacturing of Devices on the POET Optical Interposer, including epi design, process and device architecture, masks, flip chip and coplanar contact formation, side-entry PD designs for high-performance, self-aligned mechanical and optical alignment features in die for high placement accuracy.

“许可专有技术”指与生产 POET 光学中介层的器件，包括 epi 的设计、工艺和器件架构，掩膜，倒装芯片和共面接触形成，侧入式 PD 设计，用以在芯片中实现高性能，自对准机械和光学对准功能，以实现高精度贴装相关的所有技术信息。

1.12 **"Licensed Patents"** means all patents, utility models and design patents set out in Annex 4.

“许可专利”是指附件 4 所列的所有专利、实用新型和外观设计专利。

1.13 **"PRC"** means the People's Republic of China excluding, for the purpose of this Agreement, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan.

“中国”指中华人民共和国，就本协议而言，不包括香港特别行政区、澳门特别行政区和台湾。

1.14 **"Product Registrations"** has the meaning ascribed to it in Article 4.1.

“产品注册”见本协议第 4.1 条的规定。

1.15 **"Renminbi"** or **"RMB"** means the lawful currency of the PRC.

“人民币”指中国的法定货币。

1.16 **"Term"** means the term of this Agreement as established in Article 12 hereof.

“期限”指本协议第 12 条设定的本协议期限。

## **Article 2      Documentation**

### **第二条      文件**

2.1 Licensor hereby grants to Licensee in PRC, the non-transferable and exclusive right and license (without the right to sub-license to copy, to modify, and/or to translate) the

Documentation and/or parts thereof, for the sole purpose of making use of the rights and licenses granted under Article 3.1. In case of any discrepancy between any copied and/or modified and/or translated version of the Documentation and the Documentation as delivered by Licensor, the Documentation as delivered by Licensor shall prevail. Licensee shall indemnify Licensor and hold Licensor harmless against claims arising from use of Documentation based on documentation that is inapplicable or inappropriately amended or translated from the original language by or through Licensee.

仅为使用根据第 3.1 条授予的权利和许可，许可方在此授予被许可方在中国境内的、不可转让的且独占的文件和/或其部分相关权利和许可（不含复制、修改和/或翻译文件和/或其部分的转许可权）。如果文件的任何复印和/或修改和/或翻译版本与许可方发送的文件存在不一致之处，应当以许可方发送的文件为准。被许可方应赔偿许可方因使用由被许可方或通过被许可方不适用或不当修改或翻译原语言的文件而遭受的索赔，并使许可方免受该等损失。

## 2.2 The Documentation will be:

文件将:

- (i) complete and correct considering the purpose of the license granted under Article 3.1;

符合第 3.1 条授予许可之目的的完整和正确要求;

- (ii) in the form and manner as available at Licensor at the delivery date;

在交付日期以许可方提供的格式和方式提供;

- (iii) based on Licensor's standards and specifications;

根据许可方的标准和规范;

- (iv) in metric measurements;

采用公制计量单位;

- (v) in Chinese or English at the discretion of Licensor. Licensor is not responsible for checking and/or ensuring that any translation made by the Licensee is accurate and up to date with the Documentation at any time.

由许可方酌情决定使用中文或英文。许可方在任何时候均不负责检查和/或确保被许可方对文件的任何翻译都是准确的和最新的。

## 2.3 The Documentation and all documents and other information supplied to Licensee under this Agreement are and remain the property of Licensor. The Documentation may include documents or information belonging to third parties, which Licensor is entitled to provide to Licensee. For the purposes of this Agreement, those documents and information are deemed the property of Licensor. The Documentation and any copies thereof will be subject to the provisions on confidentiality hereunder. The copyright regarding these documents shall be and remain at any time with Licensor.

根据本协议向被许可方提供的文件以及所有文档和其他信息是且始终是许可方的财产。文件可能包括许可方有权向被许可方提供的、属于第三方的文档或信息。就本协议而言，这些文档和信息被视为许可方的财产。文件及其任何副本将受以下保密条款的约束。这些文档的版权应属于且始终属于许可方。

- 2.4 Delivery of Documentation will be performed at the time the respective Licensed Know-how is granted in accordance with the schedule set out in **Annex 3** at the seat of Licensee. Delivery shall be limited to hard copies consisting of two (2) sets of Documentation as set out in **Annex 2**, or where deemed necessary in another format (DVD etc.) chosen by Licensor. The hard copy shall be clearly marked with reference to this Agreement and the number of delivered pieces. Licensee shall confirm in writing receipt of any and all Documentation at the time of delivery. The process of delivery shall be documented and signed jointly by the Parties.

文件将根据**附件 3**中规定的相应许可专有技术的许可时间表在被许可方所在地进行交付。交付应限于**附件 2**规定的由两（2）套纸质副本，或者在必要时以许可方选择的其他格式（如 DVD 等）提供。纸质副本应明确标出参考本协议及交付件数。被许可方应在交付时以书面形式确认已收到所有文件。交付过程应由双方共同记录和签署。

- 2.5 Licensee shall inspect all Documentation supplied by Licensor under this Agreement immediately upon delivery. If any part of the Documentation is missing or found incorrect, Licensee shall without delay inform Licensor of such fact in writing and clearly specify the missing or incorrect part. Licensor will exercise normal care in verifying the accuracy and completeness of the Documentation furnished to Licensee.

被许可方应在交付时立即检查许可方根据本协议提供的所有文件。如果文件的任何部分缺失或被发现不正确，被许可方应毫不迟延地以书面形式通知许可方此类事实，并明确指明缺失或不正确的部分。许可方在核实向被许可方提交的文件的准确性和完整性时，将行使常规注意义务。

- 2.6 Licensor will not be liable to provide more Documentation than existing and in use at Licensor at the time of actual delivery. If the Documentation should contain an omission, defect, error, mistake or ambiguity, Licensor will correct that omission, defect, error, mistake or ambiguity upon notification of Licensee or when it becomes otherwise known. Claims for correction expire at the latest six (6) months after actual delivery of the respective Documentation. Licensor will not be liable to Licensee or any third party for damage, whether direct or consequential, arising or alleged to arise from Licensee's use, modification or translation of such Documentation.

许可方没有责任提供超出许可方在实际交付时现有和使用的文件。如果文件包含省略、瑕疵、差错、错误或模棱两可之处，则许可方将在收到被许可方通知或以其他方式知悉时纠正该省略、瑕疵、差错、错误或模棱两可之处。更正请求权在相应文件交付后最迟六个月失效。对于因被许可方使用、修改或翻译此类文件而造成的或据称造成的直接或间接损失，许可方不对被许可方或任何第三方承担任何责任。

## **Article 3 License Granted by Licensor to Licensee**

### **第三条 许可方授予被许可方的许可**

3.1 As part of the Licensor's contributions to the registered capital of the Licensee, pursuant to the terms and conditions of this Agreement and subject to the licensing schedule set out in Annex 3, Licensor hereby grants to Licensee for the term of the Licensee's operations a royalty-free and exclusive license to use the Licensed Know-how and Licensed Patent in relation to the manufacturing of Devices for integration into the Licensee's production in relation to data communication and telecommunication applications, with 'exclusive' meaning that Licensor will not grant such license to any third party.

作为许可方对被许可方注册资本的出资的一部分，根据本协议的条款和条件及附件 3 中列出的许可时间表，在被许可方的经营期限内，许可方特此向被许可方授予免许可费且排他的许可，以使用与生产被集成至被许可方数据通信和电信应用有关产品的器件有关的许可专有技术和许可专利，“排他”表示许可方不会将此类许可授予任何第三方。

3.2 The technology licenses under Article 3.1 shall be:

第 3.1 条下的技术许可应为：

3.2.1 granted without the ability to sub-license or transfer the respective license or its subject matter to any third party except the right to sub-license the Licensed Know-how and Licensed Patent to SAIC under the same terms and conditions set out in this Agreement, except the right to sub-license. Licensor shall continue to own Licensed Know-how and Licensed Patent and be able to freely exploit it; and

不可向任何第三方转许可或转让的相应许可或其标的，但有权按照在本协议相同的条款和条件下将许可专有技术和许可专利转许可给 SAIC（但转许可的权利除外）。许可方应继续拥有许可专有技术和许可专利，并能够自由利用；以及

3.2.2 expanded to other configurations of the 100G/200G and 400G optical engines upon request by the Licensee, subject to agreement among the Parties on the timing and cost of providing the related designs.

应被许可方的要求，扩展到 100G/200G 和 400G 光学引擎的其他配置，但受制于双方就提供相关设计的时间和成本所达成的协议。

3.3 Licensor shall grant Licensee access to the Licensed Know-how by way of delivering to Licensee the Documentation as specified in Article 2.

许可方应通过向被许可方交付第 2 条规定的文件向被许可方授予许可专有技术的访问权。

3.4 The license of use right to the Licensed Know-how and Licensed Patent is limited only to the purpose set forth in Article 3.1 of this Agreement. In case that Licensee intends to use the Licensed Know-how and Licensed Patent for any other purpose, including but not limited to the development and/or the operation of other products, it shall separately conclude a related written agreement covering all relevant aspects (including, without limitation, compensation to the Licensor) with the Licensor in advance.

许可专有技术和许可专利的使用权许可仅限于本协议第 3.1 条规定的目的。如果被许可方打算将许可专有技术和许可专利用于任何其他目的，包括但不限于其他产品的开发和/或运营，则应提前与许可方另行订立涵盖所有相关方面的相关书面协议（包括但不限于补偿许可方）。

**3.5 The Licensee shall immediately notify the Licensor in writing, giving full particulars, if any of the following matters come to its attention:**

如果发现以下任何情况，被许可方应立即书面通知许可方，并提供详细信息：

**3.5.1 any actual, suspected or threatened infringement of any of the Licensed Patents;**

任何实际、涉嫌或潜在的许可专利侵权；

**3.5.2 any actual, suspected or threatened unauthorized disclosure, misappropriation or misuse of the Licensed Know-how;**

任何实际、涉嫌或潜在的未经授权的对许可专有技术的披露、盗用或滥用；

**3.5.3 any actual or threatened claim that any of the Licensed Patents is invalid;**

关于任何许可专利无效的实际或潜在的任何主张；

**3.5.4 any actual or threatened opposition to any of the Licensed Patents;**

对任何许可专利的实际或潜在的任何反对；

**3.5.5 any claim made or threatened that exploitation of any of the Licensed Patents or the Licensed Know-how infringes the rights of any third party;**

任何已经提出的或潜在的主张认为使用许可专利或许可专有技术侵犯了任何第三方的权利；

**3.5.6 any person applies for, or is granted, a patent by reason of which that person may be, or has been, granted, rights which conflict with any of the rights granted to the Licensee under this Agreement;**

任何人申请或被授予专利，且该人可能或已经被授予与本协议下授予被许可方的任何权利相冲突的权利；

**3.5.7 any application is made for a compulsory license under any Licensed Patent; or**

任何在许可专利下的强制许可申请；或

**3.5.8 any other form of attack, charge or claim to which the Licensed Patents or Licensed Know-how may be subject.**

许可专利或许可专有技术可能遭受的任何其他形式的攻击、指控或主张。

### 3.6 Obligation to notify

通知义务

In respect of any of the matters listed in Article 3.5:

关于第 3.5 条所列事项:

3.6.1 the Licensor shall, in its absolute discretion, decide what action, if any, to take;

许可方应自行酌情决定采取何种行动（如有）；

3.6.2 the Licensor shall have exclusive control over, and conduct of, all claims and proceedings;

许可方应独占控制所有索赔和诉讼程序并对其进行处理；

3.6.3 the Licensee shall not make any admissions other than to the Licensor and shall provide the Licensor with all assistance that it may reasonably require in the conduct of any claims or proceedings;

被许可方不得进行任何承认（向许可方承认除外），并应在进行任何索偿或诉讼时根据许可方合理的要求提供所有协助；

3.6.4 the Licensor shall indemnify the Licensee from

许可方应向被许可方补偿

(i) any costs of the defense,

任何辩护费用

(ii) any settlement,

任何和解

(iii) any fines levied, and/or

征收的任何罚款，和/或

(iv) damages awarded

赔偿金

for the infringement of third parties' rights by the use of the Licensed Know-how and Licensed Patents, but only after a final determination by a court of appropriate jurisdiction that the use of the Licensed Know-how and Licensed Patents by the Licensee in full compliance with this Agreement has been the cause for the infringement of such third parties' rights, and subject to a maximum liability of the Licensor under this clause 3.6.4 of an amount equal to the total investment amount made by SAIC at the time of the final judgement in relation to Licensor's liability under this clause; and



就使用许可专有技术和许可专利侵害第三方权利的情况，前提是拥有管辖权的法院最终裁定被许可方在完全遵守本协议的情况下使用许可专有技术和许可专利导致侵犯第三方权利，并且受制于本第 3.6.4 条的规定，许可方的最高责任为关于许可方在本条款下责任的最终判决做出时 SAIC 的总投资额；和

3.6.5 the Licensor shall bear the cost of any proceedings and shall be entitled to retain all sums recovered in any action for its own account.

许可方应自行承担任何法律程序的费用，并有权保留在任何诉讼中追回的所有款项。

3.7 The Licensee agrees not to commence any infringement actions in respect of any of the matters listed in Article 3.5, unless otherwise agreed in writing by the Licensor.

除非获得许可方的书面同意，否则被许可方同意不对第 3.5 条中所列的任何事项提起任何侵权诉讼。

## Article 4 Product Registrations

### 第四条 产品注册

4.1 The Devices may require regulatory approvals, filings, registrations or other authorisations from government regulatory bodies in China for its production, marketing and/or sale in respective territory provided in Article 3.1 (the "**Product Registrations**"). For such purpose, Licensee may initiate respective applications upon the prior written consent of the Licensor. Licensee shall, when preparing document submissions and meeting with government regulatory bodies or other third parties, observe its confidentiality obligations under Article 9 and disclose only such Confidential Information, as defined below, as absolutely necessary for the purpose of the Product Registrations. The Licensor has the right to participate in any related meetings of Licensee with third parties and review Product Registration application documents prior to submission.

器件可能需要获得中国政府监管部门的监管批准、备案、注册或其他授权以在第 3.1 条规定的相应地域内开展生产、推广和/或销售（“**产品注册**”）。为此，被许可方可以在事先获得许可方的书面同意的情况下提出相应的申请。被许可方在准备文件提交并与政府监管机构或其他第三方会面时，应根据第 9 条遵守保密义务，并仅披露为产品注册目的绝对必要的保密信息（定义如下）。许可方有权参加被许可方与第三方的任何相关会议，并有权在产品注册申请文件提交之前进行审查。

4.2 Product Registrations may be held in the name of the Licensee if so required by mandatory laws. Licensee shall provide the Licensor with up-to-date copies of any Product Registration certificates and related correspondence with government regulatory bodies or filing agents upon Licensor's request.

如系法律强制性要求，产品可以以被许可方的名义进行注册。被许可方应根据许可方的要求，向许可方提供任何产品注册证书的最新副本以及与政府监管机构或备案代理人的有关往来信件。

## **Article 5      Records and Audits**

### **第五条      记录与审计**

- 5.1 Licensee shall itself keep accurate and complete books and records concerning any Devices manufactured and sold in the respective territory. The books and records shall include, without limitation, the date of the transaction involving sales of Devices, the respective net price and the number of items sold.

被许可方应自行保存在相应地域内生产和销售的任何器件的准确和完整的账簿和记录。账簿和记录应包括但不限于销售器件的交易日期、对应的净价和已售物品的数量。

## **Article 6      Trade names and marks**

### **第六条      商号和商标**

Licensee acknowledges that the exclusive ownership of Licensor's trade names and marks and any registration thereof and goodwill applicable thereto is vested in the Licensor. Licensee agrees to refrain from applying for any registration or other form of protection for any name, mark or other designation owned or used by or relating to the Licensor or any Affiliate of Licensor, and also agrees to refrain from applying anywhere in the world for registration of any trademark, trade name, or domain name of Licensor or its Affiliates or any trademark, trade name, or domain name that is confusingly similar to those of Licensor or its Affiliates.

被许可方承认，许可方的商号、商标及与之相关的任何注册和适用商誉均归许可方专有。被许可方同意不就许可方或其任何关联方拥有、使用或与其相关的任何商号、商标或其他标识申请任何注册或其他形式的保护，还同意不在全球任何地区申请注册许可方或其关联方的任何商标、商号或域名或者与该等商标、商号或域名混淆性近似的商标、商号或域名。

## **Article 7      Supplies**

### **第七条      供应**

- 7.1 All parts and raw material for the production of Devices may be sourced by Licensee at its sole discretion from third party sources.

所有生产器件的零件和原材料可以由被许可方自行酌情决定从第三方采购。

- 7.2 Licensor shall provide to Licensee certain technical services in relation to the production of Devices. Licensee may decide in its sole discretion whether or not to use such technical services. Licensor shall be paid remuneration for any technical services requested by and provided to Licensee at agreed market rates. The technical services under the Technical Services Agreement may be provided by Licensor by itself or through any of its Affiliates.

许可方应向被许可方提供有关器件生产的技术服务。被许可方可以自行决定是否使用此类技术服务。许可方应按商定的市场价格根据被许可方要求向被许可方提供任何技

术服务并取得报酬。技术服务协议下的技术服务可以由许可方提供，也可以通过其任何关联方提供。

## **Article 8      Foreground IP**

### **第八条      前景知识产权**

8.1      During the Term of this Agreement, Licensee shall continuously inform Licensor of any technical information, improvements, development, modifications, inventions, amendments, derivative works, software or documentation made or acquired by Licensee and arising from Licensor's Know-how, Licensed Patents, Documentation or Confidential Information (together the "**Foreground IP**"). Licensee shall continuously forward to Licensor the pertaining written or otherwise recorded technical information as soon as available to Licensee.

在本协议期限内，被许可方应持续告知许可方由被许可方制作或获得的或从许可方的专有技术、许可专利、文件或保密信息（统称“**前景知识产权**”）中衍生的任何技术信息、改进、开发、修改、发明、修订、衍生作品、软件或文档。被许可方应尽快将其书面或以其他方式记录的有关技术信息持续转发给许可方。

8.2      Licensee's Foreground IP shall be owned by Licensee and Licensee and/or its Affiliates shall, subject to Article 9 – Confidentiality – and subject to its obligation to keep Licensed Know-how protected as Licensor's ownership and unaffected by any application for statutory protection, be entitled to apply for any statutory protection in regard of Foreground IP. In the event Licensee (i) makes an invention which represents Foreground IP; and (ii) decides not or only limited in scope (e.g. limited by country or technical scope) to apply for statutory protection for such invention (e.g. via patent or utility model) Licensee shall reasonably in advance of any time limits offer the (remaining) rights under such invention to Licensor with the right to apply for respective statutory rights subject to the registration of the patent application right assignment agreement with the relevant authorities. In case Licensor decides to take over the invention, (i) Licensor shall bear its own costs and (ii) Licensee shall receive a right to use such invention and the respective intellectual property rights arising out of such invention according to the terms of this Agreement.

被许可方的前景知识产权应归被许可方所有，并且被许可方/或其关联方应受制于第9条（保密）的规定，并受制于其保持许可专有技术为许可方所有且不受任何法定保护申请的影响的义务，有权申请有关前景知识产权的任何法定保护。如果被许可方（i）进行了代表前景知识产权的发明；（ii）决定不或仅在限制范围内（例如，受国家或技术范围的限制）为此类发明申请法定保护（例如，通过专利或实用新型）。被许可方应在任何时限之前向许可方合理提供此类发明下的（其他）权利，申请相应法定权利的权利须在有关部门注册专利申请权转让协议。如许可方决定接管发明，（i）许可方应自行承担其费用，并且（ii）被许可方应获得根据本协议的条款使用该发明的权利以及该发明产生的相应知识产权。

8.3      Licensee shall grant and hereby grants to Licensor the world-wide, royalty-free, perpetual and irrevocable right and license with the right to sub-license to use and to have used any Foreground IP. Licensee shall ensure that – in the event Licensee sells any Foreground IP to a third party such third party shall be bound and accept the rights granted to Licensor under this Agreement. In case of sublicense of Foreground IP by

Licensor to any other party, the Parties shall discuss the relevant terms and conditions (including royalty fee to be paid to Licensee) on case by case basis.

被许可方应向许可方授予并在此授予许可方在全球范围内的、免许可费的、永久的且不可撤销的权利和许可，以及转许可使用和已使用的任何前景知识产权的权利。被许可方应确保，如果被许可方向第三方出售任何前景知识产权，则该第三方应受本协议约束并接受根据本协议授予许可方的权利。如果许可方将前景知识产权转许可给任何其他方，则双方应逐案讨论相关的条款和条件（包括支付给被许可方的许可费）。

- 8.4 With regard to such Foreground IP developed or otherwise acquired by Affiliates of Licensee, Licensee shall ensure that it receives sufficient rights from such Affiliates in order to offer and grant to Licensor the rights as described in this Article.

对于被许可方的关联方开发或以其他方式获得的前景知识产权，被许可方应确保从此类关联方获得足够的权利，以向许可方提供和授予本条所述的权利。

## Article 9 Confidentiality

### 第九条 保密

#### 9.1 All Confidential Information

所有保密信息

- 9.1.1 shall be used by the receiving Party exclusively for the performance of the obligations or purposes set forth in this Agreement, unless otherwise expressly agreed to in writing by the disclosing Party;

应仅限接收方为履行本协议规定的义务或目的使用，除非披露方另行以书面方式明确同意；

- 9.1.2 shall not be distributed or disclosed in any way or form by the receiving Party to anyone except to the employees of the receiving Party or those employees of its Affiliate and except to legal advisers or bankers advising the receiving Party and/or its Affiliate with regard to the performance of the obligations or purposes set forth in this Agreement ("**Advisers**"), who each of them reasonably need to know such Confidential Information for the performance of the obligations or purposes set forth in this Agreement and who are bound to confidentiality either by their employment agreement or otherwise in writing to an extent not less stringent than the obligations imposed on the receiving Party under this Agreement. Prior to any disclosure to an Affiliate or to an Adviser, the receiving Party (i) must have in place a written agreement with such Affiliate or such Adviser imposing on such Affiliate or on such Adviser confidentiality obligations in respect of the Confidential Information not less stringent than the obligations imposed on the receiving Party under this Agreement, and (ii) provide the disclosing Party a copy of such written agreement with the respective Affiliate or Adviser;

不应被接收方以任何方式或形式向任何人分发或披露，除了接收方的员工或接收方关联方的员工以及为接收方和/或其关联方履行本协议规定的义务或目的提

供意见的法律顾问或银行（“顾问”），前述人员为履行本协议规定的义务或目的确有合理需要知道该等保密信息，并依据其雇佣协议或以其它书面形式负有保密义务，程度不低于本协议规定的接收方保密义务的严格程度。在向某一关联方或顾问披露前，接收方（i）必须与该等关联方或该等顾问就该等关联方或该等顾问将对于保密信息负有保密义务且程度不低于本协议规定的接收方保密义务的严格程度达成书面协议，以及（ii）向披露方提供与相应关联方或顾问签署的此类书面协议的副本。

9.1.3 shall be kept confidential by the receiving Party; and

应由接收方保密；以及

9.1.4 shall remain the property of the disclosing Party.

应仍为披露方的财产。

9.2 The obligations under Article 9.1 shall not apply, however, to any information which:

但第 9.1 条的义务不应适用于以下任何信息：

9.2.1 was in the receiving Party's possession without confidentiality obligation prior to receipt from the disclosing Party;

接收方在从披露方接收前已经知晓且不承担保密义务的信息；

9.2.2 is at the time of disclosure already in the public domain or subsequently becomes available to the public through no breach by the receiving Party of this Agreement;

在披露时已经进入公共领域或者随后非因接收方违反本协议而为公众所知晓的信息；

9.2.3 is lawfully obtained by the receiving Party from a third party without an obligation of confidentiality, provided such third party is not, to the receiving Party's knowledge, in breach of any confidentiality obligation relating to such information;

接收方从第三方处合法获得的且不需承担保密义务的信息，只要据接收方所知该第三方没有违反该保密信息的任何保密义务；

9.2.4 is developed by the receiving Party independently from Confidential Information or under the exceptions as set out in Article 9.2.1-9.2.3 or 9.2.5; or

由接收方不依赖保密信息独立开发得到的或属于第 9.2.1-9.2.3 或 9.2.5 条规定的例外情形的信息；或

9.2.5 is approved for release by written agreement of the disclosing Party.

由披露方通过书面协议许可发布的信息。

The Party seeking the benefit of such exception shall bear the burden of proving its existence.

希望从该等例外中受益的一方应承担证明该例外存在的举证责任。

The receiving Party may disclose information of the disclosing Party if the receiving Party is required to do so by any ruling of a governmental or regulatory authority within its scope of competency or court or by mandatory law, provided that written notice of such ruling is given without undue delay to the disclosing Party so as to give the disclosing Party an opportunity to intervene and provided further that the receiving Party uses reasonable efforts to obtain assurance that the information will be treated confidentially. Information which is disclosed in such way must be marked "Confidential".

如果任何政府或监管机构或法院在其职权范围内的裁决或强制性法律规定要求接收方披露披露方的信息，接收方可以披露该等信息，前提是该规定/裁决被毫不迟延地书面通知披露方以使披露方有机会干预，并且接收方采取了合理的努力以获得该等信息将被保密的保证。以上述方式披露的信息应被标明“保密”。

- 9.3 The receiving Party will derive no rights of any kind, in particular no rights of prior use, from the fact that they as a result of the Confidential Information may possibly obtain knowledge of patentable inventions for which the other Party may possibly apply for Intellectual Property Rights. The receiving Party shall not be entitled to file for patents or other statutory protection in any country based on or using any information received hereunder, and any such patent or statutory protection must be transferred to the disclosing Party upon its request and without any charge.

接受方不得基于其通过保密信息而可能获得可注册专利发明的相关知识（该知识可能被另一方用以申请知识产权）这一事实而获得任何权利，尤其是在先使用权。接收方无权基于或使用在本协议项下收到的任何信息在任何国家申请专利或任何法律保护，并且任何该等专利或法律保护必须根据披露方的请求免费地转让移至披露方。

- 9.4 All information disclosed between the Parties including those exchanged electronically and/or on record-bearing media, as well as any copies thereof, shall, upon termination or expiration of this Agreement and respective written request of the disclosing Party, at the receiving Party's discretion, either be returned to the disclosing Party or be destroyed by the receiving Party after termination or expiration of this Agreement. This shall not include copies of electronically-exchanged information made as a matter of routine information technology backup. Such request shall be made in writing by the disclosing Party to the receiving Party within ninety (90) days after expiration or termination of this Agreement. In case of destruction, the receiving Party shall confirm in writing such destruction to the disclosing Party within fourteen (14) days after receipt of the respective request.

双方之间互相披露的所有信息，包括以电子和/或录音介质交换的内容以及其任何副本，应在本协议终止或期满之时经披露方书面请求，由接收方酌情决定归还披露方或在本协议终止或期满后由接收方销毁。此类信息不应包括作为日常信息技术备份的电子交换信息的副本。披露方应在本协议期满或终止后的九十（90）天内以书面形式发出接受方请求。如遇销毁的情形，接受方应在收到相关请求后十四（14）天内就该等销毁向披露方书面确认。

This Article 9.4 shall not apply to disclosed information or copies thereof which (i) the receiving Party is entitled to use after the expiration or termination of this Agreement, (ii) must be stored by the receiving Party or its consulting firm according to mandatory

law, provided that such information or copies thereof shall be subject to an indefinite confidentiality obligation according to the terms and conditions set out herein.

本第 9.4 条不适用于以下披露的信息或其副本：（i）接收方在本协议期满或终止后有权使用的，（ii）根据强制性法律规定接收方或其咨询公司必须存储的信息，前提是该信息或其副本应根据本协议的条款和条件无限期予以保密。

9.5 The obligations of this Article 9 shall survive ten (10) years after termination or expiration of this Agreement.

本第 9 条的义务应在本协议终止或期满后的十（10）年内继续有效。

## **Article 10 Warranty and Liability**

### **第十条 担保及责任**

10.1 During the term of this Agreement Licensor undertakes to use all reasonable efforts at its own costs to correct all errors, if any, found in the Documentation in accordance with Article 2.6 above.

在本协议期限内，许可方承诺尽一切合理努力根据第 2.6 条纠正错误（如有），并自行承担相关费用。

10.2 Article 10.1 shall apply mutatis mutandis to Licensee with respect to any license of Foreground IP.

对于前景知识产权的任何许可，第 10.1 条应参照适用于被许可方。

10.3 Licensor warrants, to the best of the Licensor's knowledge, the Licensed Know-how and Licensed Patents do not infringe any patent, copyright, trademark or trade secret of a third party.

许可方保证，据许可方知晓，许可专有技术和许可专利不侵犯第三方的任何专利、著作权、商标或商业秘密。

10.4 Except as provided in Articles 10.1 through 10.3, neither Party gives any warranty or assumes any responsibility or liability with respect to any technical information, software or service provided to the other Party under this Agreement or to the validity or maintenance of any intellectual property rights licensed to the other Party hereunder. In particular,

除第 10.1 条到第 10.3 条的规定外，任何一方均不对根据本协议提供给另一方的任何技术信息、软件或服务，或根据本协议许可给另一方的任何知识产权的有效性或维持性承担任何义务或责任。尤其是，

(i) neither Party gives any warranty or assumes any responsibility or liability with respect to the ability of the other Party to successfully use any technical information provided to such other Party hereunder for the manufacture of Devices and/or modifications and/or improvements thereof or for any further exploitation or implementation of licenses granted to such other Party under this Agreement; and

任何一方均未就另一方成功使用根据本协议提供给该另一方的任何技术信息以制造器件和/或进行修改和/或改进或用于进一步开发或实施根据本协议授予该另一方的许可的能力提供任何保证或承担任何责任或义务；以及

- (ii) neither Party warrants that the Devices and/or modifications and/or improvements thereof manufactured by the other Party achieve a certain standard of quality or level of performance and/or do not infringe intellectual property rights of third parties.

任何一方均不保证另一方制造的器件和/或其修改和/或改进能达到一定的质量标准或性能水平和/或不侵犯第三方的知识产权。

10.5 The provisions of this Article 10 shall survive any termination or expiration of this Agreement.

第 10 条的规定在本协议终止或期满后仍有效。

## **Article 11 Force Majeure**

### **第十一条 不可抗力**

Neither Party shall be held responsible or liable for the non-fulfillment of any of its obligations under this Agreement, provided and as long as such Party is hindered or prevented from fulfillment by any circumstances of "Force Majeure", which are deemed to include any events which are internationally recognized as occurring beyond a person's or company's reasonable control, such as, but not limited to, war, riot, strike, lock-out, flood, epidemics, other natural catastrophes, or terrorist attacks, and provided that the Party directly frustrated notifies the other Party without delay and in writing the beginning and end of any such circumstances. The Party directly frustrated shall use all reasonable efforts to minimize the hindrance or prevention from such fulfillment. Should circumstances of Force Majeure uninterruptedly hinder or prevent a Party from fulfillment of any of its obligations hereunder for a period exceeding six (6) months, the other Party shall be entitled to ask for an appropriate amendment of this Agreement or to terminate this Agreement by three (3) months written notice. A declaration to this effect shall be disregarded, if said circumstances of Force Majeure cease to exist within such three (3) months period.

任何一方均不对未履行本协议下的任何义务负责或承担任何责任，但前提是该方受到任何“不可抗力”情况的妨碍或阻止，此等不可抗力包括国际公认的超出个人或公司合理控制范围的事件，包括但不限于战争、暴动、罢工、封锁、洪水、流行病、其他自然灾害或恐怖袭击，但受到直接影响的一方应立即通知另一方，并书面通知任何此类情况的开始和结束。受到直接影响的当事方应尽一切合理努力，最大程度地减少阻碍或防止此类妨碍的实现。如果不可抗力的情况在超过六（6）个月的时间内不间断地妨碍或阻止一方履行其在本协议项下的任何义务，另一方有权要求对本协议进行适当的修改或提前三（3）个月书面通知以终止本协议。如果不可抗力情况在此三（3）个月内不复存在，则无须进行声明。



## Article 12 Effective Date, Term, Termination

### 第十二条 生效日期, 期限及终止

- 12.1 This Agreement shall be established after being signed by both Parties and shall enter into force after (i) all approvals necessary for this Agreement and its performance, if any, are granted to and received by the Parties; (ii) Licensee has obtained its business license which reflects the Joint Venture Contract in all substantial criteria, and (iii) the board of directors of the Licensee has approved this Agreement (“**Effective Date**”).

本协议应经双方签署后成立, 并应在 (i) 双方获得并收到本协议及其履行所必需的全部批准 (如果有)、(ii) 被许可方获得在全部实体方面体现合资合同的营业执照, 以及 (iii) 被许可方的董事会批准本协议后生效 (“**生效日期**”)。

Licensee shall within one (1) month of the date of execution of this Agreement carry out all recordal, registration and approval proceedings in Licensee's country required for the performance of this Agreement. Licensee shall inform Licensor about any steps planned for the application of such recordal, registration and/or approval proceedings in due time so that Licensor may participate in any meetings with authorities or other third parties by itself or a representative nominated for such purpose.

被许可方应在本协议签署之日起一 (1) 个月内在被许可方所在国家/地区实施履行本协议所需的所有记录、注册和批准程序。被许可方应在适当的时候通知许可方有关为实施此类记录、注册和/或批准程序而计划采取的任何步骤, 以便许可方可以自行参与与政府机构或其他第三方或该第三方为此目的指定之代表进行的任何会议。

Either Party shall without undue delay furnish a certified true copy of all such registration, approval and/or recordal certificates to the other Party or shall inform the other Party in writing if it turns out that no approval is necessary.

任何一方均应立即向另一方提供所有此类注册、批准和/或记录证书的经认证的真实副本, 或应就不需要获得批准的情况书面通知另一方。

- 12.2 Unless earlier terminated as set forth in Article 11 or in Article 12.3, this Agreement shall continue in effect until the Joint Venture Contract expires or is terminated for whatever reason or the Licensee is liquidated.

除非根据第 11 或第 12.3 条提前终止, 本协议应持续有效直至合资合同到期或因任何原因被终止或被许可方被清算。

- 12.3 This Agreement may be prematurely terminated in writing with immediate effect by a Party having such right as herein below provided - and notwithstanding any other rights such Party may have - upon the occurrence of one of the following events:

如发生下列任一情况, 具有下述规定权利的任一方可以立即以书面形式提前终止本协议 (尽管该方可能拥有其他权利):

- (i) by either Party in the event that the other Party voluntarily files a petition in bankruptcy or has such a petition involuntarily filed against it (which petition is not discharged within thirty (30) days after filing), or is placed in an insolvency proceeding, or if an order is entered appointing a receiver or trustee or a levy or attachment is made against a substantial portion of its assets which

order shall not be vacated within thirty (30) days from date of entry, or if any assignment for the benefit of its creditors is made;

如果另一方自愿提出破产申请，或非自愿地被提出破产申请（该申请在提出后三十（30）天内未解除），或处于破产程序，或已被命令为其大部分的资产指定接管人或受托人，或其大部分资产被征收或扣押，且该命令不会在生效之日起三十（30）天内撤消，或者其债权人的利益被转让；

- (ii) by either Party if the Joint Venture Contract expires or is terminated or if such Party has a termination right under the Joint Venture Contract.

如果合资合同到期或被终止，或者该方根据合资合同拥有终止权。

## **Article 13 Rights and Obligations after Termination**

### **第十三条 终止后的权利及义务**

- 13.1 In case of any termination of this Agreement, Licensee shall discontinue the use of the Licensed Know-how, Documentation and Licensed Patents and shall return any information furnished by Licensor including Documentation and business records, technical data, drawings, designs, price lists, advertising material and copies thereof.

如果本协议终止，被许可方应停止使用许可专有技术、文件和许可专利，并且应返还许可方提供的任何信息，包括文件和业务记录、技术数据、图纸、设计、价目表、广告材料及其副本。

- 13.2 In case any Product Registrations are completed or pending in the name of Licensee the Licensee shall cause such Product Registrations to be transferred to the Licensor or any third party nominated by Licensor. In case such transfer is not possible or cannot be achieved by Licensee within sixty (60) days of termination or expiry of this Agreement Licensor may request Licensee to cancel the Product Registrations which cannot be or have not been transferred to Licensor.

如任何产品注册系以被许可方名义完成或待完成的，被许可方应促使此类产品注册转让至许可方或许可方任命的任何第三方名下。如此类转让不可行或被许可方在本协议被终止或到期的六十（60）天内无法完成的，许可方可以要求被许可方注销不可或未转让至许可方的产品注册。

- 13.3 Termination of this Agreement shall not relieve a Party of any duty, claim or liability arisen or fallen due prior to termination.

本协议的终止不应免除一方在终止前应承担的任何义务、索赔或责任。

- 13.4 Articles 9, 10, 12, 13 and 15 shall survive any termination of this Agreement.

本协议终止后，第 9、10、12、13 和 15 条应继续有效。

## **Article 14 Breach of Contract**

### **第十四条 违约**

- 14.1 If a Party fails to perform any of its obligations under this Agreement or if a Party's representation or warranty under this Agreement is untrue or materially inaccurate, such Party shall be deemed to have breached this Agreement. The Party in breach shall have thirty (30) days from receipt of notice from the other Party specifying the breach to cure such breach. If, after such thirty (30) day period, the breach is not cured to the reasonable satisfaction of the non-breaching Party, then the Party in breach shall be liable to the other Party for all direct and foreseeable damages. In the event more than one Party is in breach of the Agreement, each such Party shall bear its respective liability according to actual circumstances. Termination of this Agreement by either Party under Article 12 shall not exclude or affect in any way that Party's right to damages or any other remedy whether under this Article 14 or otherwise.

如果一方未能履行其在本协议项下的任何义务，或者一方在本协议项下的陈述或保证不真实或存在实质性错误，则应视为该方违反了本协议。违约方应在收到另一方指明违约的通知后三十（30）天内纠正违约行为。如果在三十（30）天的期限后，违约行为未得到非违约方合理满意程度的解决，则违约方应对另一方承担所有直接和可预见的损害赔偿。如果有一个以上的缔约方违反本协议，则每个缔约方应根据实际情况承担各自的责任。任何一方根据第 12 条终止本协议，均不排除或影响该方在第 14 条或其它条款下的损害赔偿权或其他救济权。

- 14.2 For any breach of Articles 3, 9 and/or 13 the non-breaching Party has the right to claim liquidated damages from the breaching Party in the amount of RMB 2,000,000 for each such breach, subject to the right of the non-breaching Party to claim further damages if and as so incurred. For breaches continuing over a period of time, each week of such continuous breach shall be regarded as one breach incurring the amount of liquidated damages.

对于违反第 3、9 和/或第 13 条的情况，非违约方有权就每次违约要求违约方支付违约金人民币 2,000,000 元，但不影响非违约方要求进一步赔偿（如有）的权利。对于持续一段时间的违约行为，持续违约的每个星期应被视为一次违约并产生违约金。

## **Article 15 Dispute Resolution**

### **第十五条 争议解决**

- 15.1 The Parties hereto will try to resolve any dispute, controversy or claim arising out of or in connection with this Agreement through friendly consultations between the Parties. But, if no settlement is reached within twenty (20) days from the date one Party notifies the other Party in writing of its intention to submit the dispute, controversy or claim to arbitration in accordance with this paragraph, then any such dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof, shall be finally and exclusively settled by arbitration conducted by the Singapore International Arbitration Center ("SIAC") in accordance with the Singapore International Arbitration Centre Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these Rules.

双方将通过友好协商方式解决因本协议引起的或与本协议有关的任何争端、争议或索赔。但是，如果在一方书面通知另一方其意欲根据本条款规定将争端、争议或索赔提交仲裁之日起二十（20）天内双方仍无法达成协议，则由本协议产生或与本协议相关的争端、争议或索赔，或本协议之违约、终止、无效，应由新加坡国际仲裁中心（“SIAC”）根据仲裁通知递交时有效的新加坡国际仲裁中心机构仲裁规定仲裁，仲裁裁决具有终局性和排他性。

- 15.2 The place of arbitration will be in Singapore at the SIAC. The arbitration proceedings will be conducted in English with Chinese translation.

仲裁地点为新加坡的新加坡国际仲裁中心。仲裁程序将以英文进行并配有中文翻译。

- 15.3 The arbitration tribunal will consist of three arbitrators. The Licensor shall appoint one arbitrator and the Licensee shall appoint one arbitrator. The presiding arbitrator will be nominated by the arbitrators selected by the Parties or, failing which within ten days from SIAC's confirmation of the second arbitrator, be appointed by the SIAC Council.

仲裁庭由三名仲裁员组成。许可方和被许可方将各指定一名仲裁员。首席仲裁员由双方选定的仲裁员指定，如果未能在新加坡国际仲裁中心确认第二名仲裁员后十天内指定，则首席仲裁员由新加坡国际仲裁中心理事会任命。

- 15.4 The arbitration award is final and binding on the Parties, and the Parties agree to be bound thereby and to act accordingly. The costs of arbitration and the costs of enforcing the arbitration award (including witness expenses and attorneys' reasonable fees) will be borne by the Party who shall perform obligations or bear the liability of breach under the arbitration award, unless otherwise determined by the arbitration award.

仲裁裁决是终局的，对双方均有约束力，双方同意受其约束并据此行事。仲裁费用和执行仲裁裁决的费用（包括证人费用和律师合理费用）由依据仲裁裁决履行义务或承担违约责任的一方承担，除非仲裁裁决另有规定。

- 15.5 In any proceedings under or relating to the arbitration, each Party will cooperate with the other Party in making full disclosure of and providing complete access to all information and documents reasonably requested by the other Party in connection with such arbitration proceeding.

在仲裁程序或有关程序中，一方都将与另一方合作，充分披露并提供给另一方合理要求的与该仲裁程序有关的所有信息和文件的完整访问权。

- 15.6 Any arbitration award may be enforced by any court having jurisdiction over the Party against which the award has been rendered, or wherever assets of that Party are located.

任何仲裁裁决均可由对被执行方或对被执行方财产所在地具有管辖权的任何法院执行。

- 15.7 By agreeing to the settlement of any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity hereof by arbitration, each Party irrevocably waives its right to any form of appeal, review or recourse to any court or other judicial authority, insofar as such waiver may be validly made.

各方同意通过仲裁解决因本协议引起的或与本协议有关的任何争端、争议或索赔，或本协议之违约、终止或无效，不可撤销地放弃其向任何法院或其他司法机构提出任何形式的上诉、复审或追索的权利，只要此类放弃是有效的。

## **Article 16    Applicable Law**

### **第十六条    适用法律**

This Agreement shall be governed by and construed in accordance with the laws of the PRC without reference to the substantive law of any other country.

本协议应受中华人民共和国法律管辖并据其解释且不参考任何其他国家的实体法。

## **Article 17    Miscellaneous**

### **第十七条    其他条款**

17.1 This Agreement cannot be modified except by written instrument signed by both Parties. This requirement of written form can only be waived in writing. If this Agreement requires a notice or document to be "in writing" or "in written form", such notice or document shall be duly signed by the sender by such person or persons duly authorized to legally bind the Party, and the signed notice or document shall be delivered, sent or transmitted to the other Party in its original form. For the avoidance of doubt electronic communication shall not qualify as a written notice or document.

除非双方签署书面文件，否则不得修改本协议。这种书面形式的要求只能以书面形式放弃。如果本协议要求通知或文件应以“书面”或“书面形式”，则该通知或文件应由寄送方合法授权之人正式签署后对该方有法律约束力，且应将已签署的通知或文件原件递送、发送或传送至另一方。为避免疑义，电子通讯方式不得作为书面通知或文件。

17.2 Except otherwise provided in this Agreement, communications between Licensor and Licensee shall be given in writing, by registered post and by email, in Chinese and English language to the following addresses of the Parties or to such other addresses as the Party concerned may subsequently notify in writing to the other Party:

除非本协议中另有规定，许可方与被许可方的通信应以书面形式进行，用中文和英文通过挂号信和电子邮件发送至双方的如下地址或相关一方随后可能以书面形式通知另一方的其它地址：

If to Licensor to/发送至许可方：

POET Technologies Inc.

Attn/收件人：Vivek Rajgarhia

Title/职务：President/总裁

Address/地址：120 Eglinton Avenue East, Suite 1107, Toronto ON M4P 1E2

Tel/电话: (416) 368-9411

Email/电子邮箱: vivek@poet-technologies.com

If to Licensee to/发送至被许可方:

Super Photonics Xiamen Co., Ltd./厦门超光集成有限公司

Attn/收件人:

Title/职务:

Address/地址:

Tel/电话:

Fax/传真:

- 17.3 Neither the rights nor the obligations from this Agreement may be assigned or transferred in any manner, except with the prior written consent of the other Party and except as part of a transfer on the side of Licensor of all or of a substantial part of the activities to which the subject matter of this Agreement pertains whether by sale, merger or consolidation provided, however, that Licensor may assign any and all of its rights and obligations without the prior written consent of the Licensee to a Licensor Affiliate. In case of such a transfer the respective Party shall take care that the transferee, assignee or successor will comply with this Agreement.

本协议下的权利和义务不得以任何方式转让或让渡，除非事先获得另一方的书面同意，并且除了作为许可方将本协议标的有关活动的全部或重大部分通过销售、兼并购或合并等方式转让的一部分，但前提是许可方可以不经被许可方事先书面同意将其任何和全部权利和义务转让给许可方的关联方。在该等转让中，相关方应注意使受让方、受让方或承继方遵守本协议。

- 17.4 If any of the provisions of this Agreement shall be adjudged to be invalid, illegal or unenforceable, unless the basic intentions of the Parties under this Agreement are substantially jeopardized, the validity, legality, and enforceability of the remaining provisions of this Agreement shall in no way be affected or impaired thereby and shall be enforced to the maximum extent permitted by applicable law. In such a case the Parties shall come to an agreement approximating as closely as possible the arrangement originally envisaged in this Agreement. The same applies to the closing of gaps in the Agreement.

若本协议中任何条款应被判定无效、不合法或无法执行，除非双方在本协议中的基本意图受到实质性危害，否则本协议其余条款之有效性、合法性与可执行性不应以任何方式受到影响或损害，并应在适用法律允许的最大程度内得以执行。在这种情况下，双方应在尽可能忠于本协议原先设想的安排达成新协议。此条亦适用于消除本协议存在的缺漏之处的情况。

- 17.5 This Agreement constitutes the entire understanding and agreement between the Parties with respect to the subject matter and shall supersede and cancel all previous agreements, negotiations and commitments, either oral or written, relating hereto.

本协议构成双方就标的所达成的全部理解与协议，并应替代、取消先前所有相关口头或书面协议、磋商及承诺。

The Annexes to this Agreement forms an integral part of this Agreement. In the event of conflicts between the provisions of any Annex and those in the body of this Agreement, the provisions in the body of the Agreement shall take precedence over those in any Annex unless such Annex expressly revokes the relevant Article in the body of the Agreement.

本协议附件为本协议不可分割的组成部分。若任何附件的条款与本协议正文条款冲突，除非该等附件明确规定撤销本协议正文中的相关条款，本协议正文中条款的效力应优先于任何附件条款。

- 17.6 No explicit or implied waiver by any of the Parties to this Agreement of any breach of any term, condition or obligation of this Agreement shall be construed as a waiver of any subsequent or continuing breach of that term, condition or obligation or of any other term, condition or obligation of this Agreement of the same or of a different nature. Any waiver, consent, or approval of any kind regarding any breach, violation, default, provision or condition of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing.

任一方明示或默示不追究对本协议任何条款、条件或义务的违约行为不应被解释为不追究对该条款、条件或义务或本协议中任何相同或不同性质的其他条款、条件或义务的任何后续或持续违约行为。对于对本协议的违约、违反、不履约、条款或条件的任何形式的不追究、同意或批准必须以书面形式进行，且仅在书面规定的具体范围内有效。

- 17.7 Each Party agrees, upon reasonable request by the other Party to consent to the registration of this Agreement to the extent required by applicable law and without expense to this Party. Each Party waives any and all claims or defenses arising by virtue of the absence of such registration that might otherwise limit or affect its obligations to the other Party.

每一方同意，应另一方合理请求，在适用法律规定的范围内及不承担相关费用的前提下同意对本协议进行登记。每一方放弃因未进行上述登记而可能导致另一方所承担的义务受到其他限制或影响的任何及所有权利主张或辩护。

- 17.8 Each Party shall ensure that this Agreement shall not be transferred by way of operation of law (e.g., by way of merger, consolidation or otherwise) to any third party without the written consent of the other Party (which shall be given either prior to or after the transfer of this Agreement at the sole discretion of the Party from whom such consent is sought), unless otherwise provided for in Article 17.3. Licensee shall inform Licensor in writing when this Agreement will be transferred by way of operation of law to a third party, or latest ten (10) days after this Agreement has been transferred by way of operation of law to a third party. In such case Licensor may terminate this Agreement with immediate effect by informing Licensee in writing.

每一方应确保，未经另一方书面同意（该等同意应由被寻求同意的一方在本协议转让之前或之后自行酌情做出），本协议不得通过法律运作（如兼并、合并或其它方式）转让给任何第三方，但在第 17.3 条中另行规定的除外。被许可方应当在本协议将要通过法律运作方式转让给第三方时，或在本协议已经通过法律运作方式转让给第三方后最迟十（10）日内，以书面形式告知许可方。在此情况下，许可方可以书面通知被许可方终止本协议并立即生效。

- 17.9 The term “Knowledge” when used in the phrases “to the best of the Licensor's Knowledge” or words of similar import shall mean the actual knowledge of the Licensor's directors and chief officers, assuming that each such person has made a reasonable inquiry and investigation concerning any past infringement claims and actual 'Freedom-To-Operate' exercises carried out in the past.

“知晓”一词在“据许可方知晓”或类似含义的词组中使用，应表示在对任何过去的侵权索赔以及过去实际进行的“自由实施”检索均进行了合理的询问和调查的情况下，许可方的董事和首席高管的实际知晓情况。

- 17.10 This Agreement is written in both English and Chinese. In case of any conflicts or discrepancies between the two language versions, the Parties will conduct good faith negotiations to establish a prevailing version taking into account the intentions the Parties had when entering into this Agreement. If the Parties fail to reach agreement, the English version shall prevail.

本协议以英文和中文写就。若两种语言文本有任何冲突或不一致之处，则双方将进行诚挚协商，根据双方在签署本协议时的意图来确定以哪一个文本为准。如果双方不能协商一致，应以英文文本为准。

- 17.11 This Agreement may be executed and delivered in any number of counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement and shall be enforceable as such.

本协议可签署和交付多份对签文本，每份该等对签文本一经签署即应视为原件，而所有该等对签文本应共同构成同一份协议，并按同一份协议予以执行。



Place/地点:

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Name/姓名:

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(Print 正楷)

Title/职务:

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**Annex 1**

**Devices**

**附件 1**

**器件**

**Annex 2**

**Documentation**

附件 2

文件

**Annex 3**

**Contribution Schedule**

**附件 3**

**出资时间表**

**Annex 4**

**Licensed Patents**

**附件 4**

**许可专利**

**SCHEDULE D**

**附件 D**

**POET Supply Agreement**

**POET 供货协议**

**THIS SUPPLY AGREEMENT** (the “Agreement”), dated \_\_\_\_\_ 2020 (the “**Effective Date**”) by and between **POET TECHNOLOGIES** (hereinafter “**POET**”), a corporation incorporated pursuant to the laws of Ontario, Canada having offices at 120 Eglinton Avenue East, Suite 1107, Toronto ON M4P 1E2 and **Super Photonics Xiamen Co., Ltd.** (hereinafter the “**JV**”), a corporation incorporated pursuant to the laws of the People's Republic of China, having offices at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, China.

**RECITALS**

**WHEREAS**, POET is engaged in the business of manufacturing and selling certain POET Products (as defined below), as further described in this Agreement; and,

**WHEREAS**, JV is established as a joint venture company between POET and Xiamen San'an Integrated Circuit Co., Ltd. (hereinafter referred to as “**SAIC**”), a limited liability company incorporated and validly existing in Xiamen, People's Republic of China, with its registered address at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, China, by operation of the Joint Venture Contract as defined below, to conduct application design, assembly, test, integration, marketing and sale of 100G/200G/400G optical engines based on the POET Optical Interposer™ for data communications and telecommunications applications in China.

**WHEREAS**, the shareholders of Licensee have agreed in the Joint Venture Contract (as defined below) that the JV shall receive from POET certain POET Products for the assembly of Optical Engines based on the POET Optical Interposer, and JV desires to purchase such POET Products for use in its Optical Engine Products (as defined below) on the terms set forth in this Agreement; and

**WHEREAS**, POET agrees to supply such POET Products on the terms set forth herein.

NOW THEREFORE, the Parties agree as follows:

**1. Definitions**

1.1 “**Confidential Information**” means any information and data, including without limitation, any kind of business, commercial or technical information and data disclosed between the Parties in connection with the implementation of this Agreement, irrespective of the medium in which such information or data is embedded, which is not public.

Confidential Information shall include any copies or abstracts made thereof as well as any apparatus, modules, samples, prototypes or parts thereof.

- 1.2 **“Intellectual Property Rights”** means all intellectual and industrial property and proprietary rights, throughout the world, including (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and re-examinations thereof; (b) all trademarks, service marks, trade dress, logos, trade names, Internet domain names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith; (c) all copyrightable works, all copyrights, all works of authorship and moral rights, all computer software (including data, source code, and related documentation), databases and compilations; (d) all trade secrets, know-how and confidential Business information (including ideas, research and development, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and Business and marketing plans and proposals); (e) all copies and tangible embodiments thereof (in whatever form or medium) and all applications, registrations, and renewals in connection with any of the foregoing; and (f) derivative works made or developed in connection with the foregoing.
- 1.3 **“Joint Venture Contract”** means the joint venture contract between POET and SAIC for the establishment of the JV.
- 1.4 **“Optical Engine Products”** means a device which includes an Optical Interposer incorporating selected available passive features and/or devices combined with selected active devices, such as lasers, modulators, photodetectors, etc., with features enabling the connection to other electronic devices and to optical fibers, fully built, packaged and tested to meet the required written specifications for each device and certified as operational when shipped.
- 1.5 **“Order”** means a written purchase order issued by JV to POET for any of the POET Products.
- 1.6 **“POET Products”** shall mean the Optical Interposers, a device designed and manufactured exclusively by POET that includes certain features such as waveguides, multiplexers, demultiplexers, spot size converters, micro-mirrors, fiducial marks, pedestals, metal interconnects, solder pads, facets and others that enable the accurate placement, passive integration and control of active devices and which has been engineered in a way that allows the fabrication, assembly, testing, sealing, capping and singulation of the device to be performed at wafer-level, that are listed in Exhibit A attached hereto (as may be revised by mutual written agreement of the parties from time to time).
- 1.7 **“Specifications”** shall mean the specifications applicable to the POET Products as set forth in Exhibit A.

## **2. Forecasts And Orders**

- 2.1 **Forecasts.** On a monthly basis, JV will provide POET with a nonbinding twelve (12) month rolling forecast of its estimated requirements for each POET Product



(“**Forecasts**”). Forecasts shall constitute good faith estimates of JV’s anticipated requirements for POET Products for the applicable time period.

- 2.2 **Orders.** JV will issue Orders for the POET Products from time to time. Unless the parties otherwise agree in writing, the lead time for the POET Products will be mutually agreed prior to the placement of the first order and shall be the standard lead time for all subsequent orders (“**Lead Time**”). Each Order shall include at least the following: (a) the JV’s Order number; (b) identification of the POET Products ordered by JV and the corresponding POET part number; (c) the requested delivery date; and (d) any shipping instructions, including preferred carrier and shipping destination.
- 2.3 **Order Acceptance.** POET will notify JV of acceptance of an Order within three (3) business days of receipt thereof or indicate a reason in writing for rejection of an Order. All Order acknowledgements accepting an Order will set forth the delivery dates, not to exceed the Lead Time. The confirmation of any Order by POET to JV means that the terms of the Order have been agreed and POET accepts the Order and the terms of such Order, though only to the extent consistent with the terms of this Agreement. Any terms or conditions of any Order form or any acknowledgement form that are in addition to or inconsistent with the terms of this Agreement will be deemed stricken from such Order or acknowledgement, and are hereby rejected.
- 2.4 **Rescheduling and Cancellation.** No cancellations or reschedules may be made by JV within thirty (30) days prior to the scheduled shipment time of the POET Products without POET’s prior written consent. The parties shall agree on fees that may be charged by POET in the event that JV cancels or reschedules shipments more than thirty (30) days before the originally scheduled shipment date, based on the number of days after receipt by POET of a written change order for cancellation or reschedule against orders for which the POET Products were originally scheduled to be shipped. Cancellations shall be subject to a cancellation charge based on a percentage of the charges for the complete cancelled shipment. Cancellation charges shall be computed based on the originally scheduled delivery date.
- 2.5 **Acceleration.** JV may request the shipment of POET Products in excess of the ordered quantity, or the accelerated delivery of POET Products scheduled for later delivery, and POET shall use commercially reasonable efforts to accommodate such request to ship such excess or accelerated POET Products.
- 2.6 **POET Product Change Notification.** POET agrees to notify JV of all proposed POET Product changes, which shall include all material changes to manufacturing processes, as well as mechanical and/or electrical design changes. POET will also provide advance written notice of engineering changes that materially affect the POET Product’s form, fit or function. All such notices must be provided in writing at least ninety (90) days in advance of their proposed to allow JV an opportunity to evaluate such changes. If JV, in its sole discretion, determines that the POET Product, as changed pursuant to POET’s notice, will not meet its intended requirements or would not meet the Specifications, JV shall have the right to terminate the Agreement for cause and to cancel any outstanding orders for such POET Product without liability whatsoever, including any cancellation charges otherwise due hereunder.
- 2.7 **POET Product Withdrawal.** POET shall provide JV with at least twelve (12) months prior written notice for all POET Products prior to the scheduled last date of manufacture of a POET Product. POET shall ship POET Product for Orders that POET has accepted

before the last date of manufacture. POET shall also allow JV to make a final last time buy prior to the scheduled last day of scheduled manufacture for delivery no more than six (6) months following the date of the Order, it being understood that the Lead Time will not apply for such final buy.

### **3. Delivery**

3.1 **Risk of Loss and Title.** Delivery of all POET Products shall be made *DDP* (INCOTERMS 2020) shipping destination. Risk of loss for the POET Products shall pass to JV at the delivery point. POET shall be responsible for paying all freight; handling, shipping and insurance charges to the delivery point. Title to the POET Products will pass to JV at the JV shipping destination, provided that at no time will title to any software incorporated in the POET Product pass to JV; software is licensed, not sold, to JV.

3.2 **Delivery.** POET shall deliver the POET Products to JV in accordance with the shipping instructions in the Order with regard to the requested delivery date, ship-to address, carrier and means of transportation or routing. JV may return any unauthorized under-shipment or any over-shipment or any portions thereof, at POET's expense and without charge to JV. If JV fails to provide shipping instructions, POET will make the selection of carrier on a commercially reasonable basis. In no event shall JV have any liability in connection with shipment, nor shall the carrier be deemed to be an agent of JV. JV shall not be liable for damage or penalty for delay in delivery due to the actions of the common carrier. POET shall inform JV immediately if a delivery cannot be made within five (5) days of the scheduled delivery date, in which case POET shall ship the POET Products by airfreight or other expedited routing, at POET's expense.

### **4. Price; Payment**

4.1 **Prices.** The prices for the POET Products shall be set forth in Exhibit C attached hereto.

4.2 **Preferred Provider.** JV shall purchase 100% of JV's requirements for Optical Interposers from POET pursuant to this Agreement. In the event that POET is unable to provide Optical Interposers to the Company, JV may decide to source Optical Interposers from a third-party supplier in accordance with the respective provisions in the Joint Venture Contract.

4.3 **Payment.** All payments shall be in United States Dollars and will be due and payable sixty (60) days following receipt of invoice.

4.4 **Taxes.** JV shall be responsible for and shall pay any applicable, separately itemized sales, use, excise or similar taxes, including value added taxes and customs duties due on the importation of POET Products and arising from purchases made by JV under this Agreement, excluding any taxes based on POET's income.

### **5. Limited Warranties**

5.1 **Limited Warranty.** POET represents and warrants that the POET Products shall comply with the Specifications for a period of twelve (12) months from JV's receipt thereof. In the event that any such POET Products fail to comply with the foregoing warranty, POET shall, at its option, either repair or replace such POET Products, or, in the event the foregoing options are not commercially practicable, refund to JV any amounts paid for the applicable POET Products.

5.2 **Disclaimer of Warranties.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, POET MAKES NO WARRANTIES OR REPRESENTATIONS TO JV AND POET HEREBY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

## 6. Intellectual Property Rights

6.1 **POET Ownership.** The POET Products and all Intellectual Property Rights in or related to the POET Products, owned by or licensed to POET prior to the date of this Agreement (collectively, the “**POET IP**”) shall remain the sole and exclusive property of POET.

6.2 **License.** The Parties may agree on certain licenses of Intellectual Property Rights by POET to JV or vice versa in accordance with separate license agreements and the Joint Venture Contract.

## 7. Terms and Termination

7.1 **Term.** Unless earlier terminated pursuant to the terms and conditions of this Agreement, this Agreement shall commence on the Effective Date and shall remain in force for a period equal to the term of the Joint Venture Contract.

7.2 **Termination for Cause.** Either party shall have the right to terminate this Agreement (i) for default by the other in performance of any material obligation under this Agreement where such default continues for a period of thirty (30) days after written notice thereof to the defaulting party specifying such default, or (ii) if the Joint Venture Contract expires or is terminated or if such Party has a termination right under the Joint Venture Contract.

7.3 **Obligations Upon Termination.** Upon termination or expiration of this Agreement, except as otherwise expressly stated in this Section 8, all obligations of each party to the other shall terminate.

7.4 **Survival.** Sections 5, 6, 7.3, 7.4, 7.5, 8, 9 and 10 shall survive any termination or expiration of this Agreement.

### 7.5 Effect of Termination.

(a) Upon any termination of this Agreement, each party shall promptly return to the other all Confidential Information received from the other party except one copy of which may be retained for archival purposes and to ensure compliance with the provisions of Section 11.

(b) For period of at least sixty (60) days following the termination / expiration date, the JV shall be entitled to place a last time buy order for POET products in accordance with Article 2.

## 8. Limited Liability

8.1 **LIMITATION OF LIABILITY.** EXCEPT FOR BREACHES OF CONFIDENTIALITY OBLIGATIONS, AND EXCEPT FOR AMOUNTS PAYABLE TO FULFILL INDEMNITY OBLIGATIONS, (A) IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER, OR TO ANY PARTY CLAIMING THROUGH OR UNDER THE OTHER,

FOR ANY LOST PROFITS, ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT AND HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND (B) IN NO EVENT SHALL EITHER PARTY'S CUMULATIVE LIABILITY ARISING OUT OF THIS AGREEMENT EXCEED THE AMOUNTS ACTUALLY PAID OR PAYABLE BY JV TO POET HEREUNDER PURSUANT TO THIS AGREEMENT DURING THE TWELVE (12) MONTHS PRIOR TO THE OCCURRENCE OF THE EVENT OR OTHER BASIS FOR ANY SUCH CLAIM. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY. THE PARTIES ACKNOWLEDGE AND AGREE THAT THIS SECTION 10 IS AN ESSENTIAL ELEMENT OF THE BARGAIN AND ABSENT THIS SECTION 10 THE ECONOMIC AND OTHER TERMS OF THIS AGREEMENT WOULD BE SUBSTANTIALLY DIFFERENT.

**9. Confidential Information**

- 9.1 **Restrictions on Use and Disclosure.** Neither party shall use Confidential Information of the other party disclosed to it hereunder for any purpose other than in furtherance of this Agreement and the activities described herein. The recipient shall not disclose, transfer, or disseminate Confidential Information of the disclosing party to any third parties except as otherwise permitted hereunder. The recipient may disclose Confidential Information of the disclosing party only to the recipient's employees or contractors who have a need to know such Confidential Information and who are bound to retain the confidentiality thereof under provisions no less restrictive than those required by this Agreement. The recipient shall maintain Confidential Information of the disclosing party with at least the same degree of care it uses to protect its own proprietary information of a similar nature or sensitivity, but in any event, not less than reasonable care. Any copies of the disclosing party's Confidential Information shall be identified as belonging to the disclosing party at the time of disclosure. Each party shall advise the other party in writing of any misappropriation or misuse of Confidential Information of the other party of which the notifying party becomes aware. No rights or licenses to trademarks, inventions, copyrights or patents are implied or granted under this Agreement except to the extent necessary for the purpose of disclosure. Recipient shall not reproduce or replicate Confidential Information in any form except as required for the purpose of disclosure. All Confidential Information (including all copies thereof) shall at all times remain the property of the disclosing party and shall, at the disclosing party's request upon termination of this Agreement, either be returned to the disclosing party or destroyed after the recipient's need for it has expired (whether Confidential Information is to be returned or destroyed shall be at the option of the recipient).
- 9.2 **Legal Obligation to Disclose.** This Agreement will not prevent the recipient from disclosing Confidential Information of the disclosing party to the extent required by a judicial order or other legal obligation, provided that, in such event, the recipient shall promptly notify the disclosing party prior to disclosure to allow intervention, notify the requesting entity of the confidentiality of the materials, and cooperate with the disclosing party to contest or minimize the scope of the disclosure (including application for a protective order).

9.3 **Information of Third Parties.** Neither party shall communicate or otherwise disclose to the other, during the term of this Agreement, confidential or proprietary information of third parties.

9.4 **Return of Confidential Information.** Upon request of the disclosing party, copies and embodiments of the disclosing party's Confidential Information shall be promptly returned to the disclosing party by the receiving party, unless such copies are required to support existing customers under the terms of this Agreement. Upon termination of this Agreement, for any reason, each party shall promptly return to the other party all Confidential Information provided by the other party, including all copies thereof, unless such copies are required to support existing customers under the terms of this Agreement.

## 10. Miscellaneous

10.1 **Governing Law.** This Agreement and any dispute arising from the construction, performance or breach hereof shall be governed by and construed and enforced in accordance with the laws of Singapore, without reference to its conflict of law principles.

### 10.2 **Dispute Resolution.**

- (a) The Parties hereto will try to resolve any dispute, controversy or claim arising out of or in connection with this Agreement through friendly consultations between the Parties. But, if no settlement is reached within twenty (20) days from the date one Party notifies the other Party in writing of its intention to submit the dispute, controversy or claim to arbitration in accordance with this paragraph, then any such dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof, shall be finally and exclusively settled by arbitration conducted by the Singapore International Arbitration Center ("SIAC") in accordance with the Singapore International Arbitration Centre Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these Rules.
- (b) The place of arbitration will be in Singapore at the SIAC. The arbitration proceedings will be conducted in English with Chinese translation.
- (c) The arbitration tribunal will consist of three arbitrators. The Licensor shall appoint one arbitrator and the Licensee shall appoint one arbitrator. The presiding arbitrator will be nominated by the arbitrators selected by the Parties or, failing which within ten days from SIAC's confirmation of the second arbitrator, be appointed by the SIAC Council.
- (d) The arbitration award is final and binding on the Parties, and the Parties agree to be bound thereby and to act accordingly. The costs of arbitration and the costs of enforcing the arbitration award (including witness expenses and attorneys' reasonable fees) will be borne by the Party who shall perform obligations or bear the liability of breach under the arbitration award, unless otherwise determined by the arbitration award.
- (e) In any proceedings under or relating to the arbitration, each Party will cooperate with the other Party in making full disclosure of and providing complete access to

all information and documents reasonably requested by the other Party in connection with such arbitration proceeding.

- (f) Any arbitration award may be enforced by any court having jurisdiction over the Party against which the award has been rendered, or wherever assets of that Party are located.
  - (g) By agreeing to the settlement of any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity hereof by arbitration, each Party irrevocably waives its right to any form of appeal, review or recourse to any court or other judicial authority, insofar as such waiver may be validly made.
- 10.3 **Assignment.** Neither party may assign this Agreement or its rights or obligations hereunder, in whole or in part, without the prior written consent of the other party, which consent shall not be unreasonably conditioned, delayed or withheld; provided, however, that JV may assign this Agreement without such consent to an affiliate or to a successor in interest, to its business (whether by merger, acquisition, consolidation, change of control, reorganization or sale of substantially all of its assets). Any purported assignment without such consent shall be void and of no effect. Subject to the foregoing sentence, this Agreement will be binding on and inure to the benefit of the parties and their respective successors and permitted assigns.
- 10.4 **No Implied Licenses.** Only the licenses granted pursuant to the express terms of this Agreement shall be of any legal force or effect. No other license rights shall be created by implication, estoppel or otherwise.
- 10.5 **Waiver.** It is agreed that no waiver by either party hereto of any breach or default of any of the covenants or agreements herein set forth shall be deemed a waiver as to any subsequent and/or similar breach or default.
- 10.6 **Severability.** In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect to the fullest extent permitted by law without said provision, and the parties shall amend the Agreement to the extent feasible to lawfully include the substance of the excluded term to as fully as possible realize the intent of the parties and their commercial bargain.
- 10.7 **Independent Contractors.** The relationship of the parties hereto is that of independent contractors. The parties hereto are not deemed to be agents, partners or joint ventures of the others for any purpose as a result of this Agreement or the transactions contemplated thereby.
- 10.8 **Compliance with Laws.** In exercising their rights under the license granted hereunder, each party shall fully comply in all material respects with the requirements of any and all applicable laws, regulations, rules and orders of any governmental body having jurisdiction over the exercise of rights under this license including those applicable to the distribution, import and export and sale of POET Products pursuant to this Agreement.
- 10.9 **Notices.** All notices, requests and other communications hereunder shall be in writing and shall be hand delivered, or sent by express delivery service with confirmation of

receipt, or sent by registered or certified mail, return receipt requested, postage prepaid, or by confirmed email transmission, in each case to the respective address or facsimile number indicated below.

**JV:**

Super Photonics Xiamen Co., Ltd.

Attn: [...]

**POET:**

POET Technologies, Inc.

Attn: Vivek Rajgarhia

Address: 120 Eglinton Avenue East, Suite  
1107, Toronto, ON M4P 1E2 CANADA

Tel: (416) 368-9411

Email: vivek@poet-technologies.com

Any such notice shall be deemed to have been given when received. Either party may change its address or facsimile number by giving the other party written notice, delivered in accordance with this Section.

- 10.10 **Force Majeure.** Neither party shall lose any rights hereunder or be liable to the other party for damages or losses on account of failure of performance by the defaulting party if the failure is occasioned by war, strike, fire, Act of God, earthquake, flood, pandemic, lockout, embargo, act of terrorism, governmental acts or orders or restrictions (excluding actions by POET), failure of suppliers, or any other reason where failure to perform is beyond the reasonable control and not caused by the negligence, intentional conduct or misconduct of the non-performing party and such party has exerted all reasonable efforts to avoid or remedy such force majeure; provided, however, that in no event shall a party be required to settle any labor dispute or disturbance.
- 10.11 **Headings; Construction.** The headings to the clauses, sub-clause and parts of this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. Any ambiguity in this Agreement shall be interpreted equitably without regard to which party drafted the Agreement or any provision thereof. The terms “this Agreement,” “hereof,” “hereunder” and any similar expressions refer to this Agreement and not to any particular Section or other portion hereof. The official text of this Agreement shall be in the English language, and any interpretation or construction of this Agreement shall be based solely on the English-language text. As used in this Agreement, the words “include” and “including,” and variations thereof, will be deemed to be followed by the words “without limitation.”
- 10.12 **Counterparts; Electronic Signatures.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same agreement. Electronically executed or electronically transmitted signatures shall have the full force and effect of original signatures.
- 10.13 **Complete Agreement.** This Agreement with its Exhibits, constitutes the entire agreement, both written and oral, between the parties with respect to the subject matter

hereof, and all prior agreements respecting the subject matter hereof, either written or oral, express or implied, shall be abrogated, canceled, and are null and void and of no effect. No amendment or change hereof or addition hereto shall be effective or binding on either of the parties hereto unless reduced to writing and executed by the respective duly authorized representatives of POET and JV.



IN WITNESS WHEREOF the parties have hereunto entered into this Agreement as at the date first above written.

POET

JV

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit A**  
**POET Products**

**Exhibit B**  
**Support**

**Exhibit C**

**Prices**

**SCHEDULE E**

**附件 E**

**POET Trademark and Name License Agreement**

**POET 商标和名称许可协议**

by and between 由以下双方签订

**POET Technologies Inc.**

a publicly listed Company duly formed and validly existing in Canada with its registered address of 120 Eglinton Avenue East, Suite # 1107, Toronto, Ontario, Canada

一间在加拿大合法设立且有效存续的公司，其注册地址为加拿大安大略省多伦多市艾林顿东街 120 号 1107 室

- hereinafter referred to as "**Licensor**" /以下简称“许可方”-

And 和

**Super Photonics Xiamen Co., Ltd./ 厦门超光集成有限公司**

a limited liability company incorporated and existing under the laws of the People's Republic of China with its registered address at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, People's Republic of China

一间根据中华人民共和国法律合法设立且有效存续的有限责任公司，其注册地址是中国厦门市同安区洪塘镇民安大道 799 号 6 楼

- hereinafter referred to as "**Licensee**" /以下简称“被许可方”-

- Licensee and Licensor hereinafter collectively referred to as "**Parties**" and individually referred to as "**Party**" -

- 许可方和被许可方以下合称“双方”，单独称作“一方” -

【           】 2020 /2020 年 月 日

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**Annex 1** Trademarks

**附件 1** 商标

WHEREAS, the Licensor is an innovative optical technology enterprise with special know-how and technology in 100G/200G/400G optical engines which Licensor has developed and is still developing.

鉴于，许可方是一家创新型光学技术企业并拥有其已研发及正在研发的 100G、200G 和 400G 光学引擎的相关特殊专有知识与技术。

WHEREAS, the Licensee is established as a joint venture company between the Licensor and Xiamen San'an Integrated Circuit Co., Ltd. (hereinafter referred to as “SAIC”), a limited liability company incorporated and validly existing in Xiamen, People's Republic of China, with its registered address at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, People's Republic of China, by operation of the Joint Venture Contract as defined below, to conduct application design, assembly, test, integration, marketing and sale of 100G/200G/400G optical engines based on the **POET Optical Interposer™** for data communications and telecommunications applications in China.

鉴于，被许可方系由许可方与厦门市三安集成电路有限公司（以下简称“SAIC”）共同设立的合资企业，其作为有限责任公司在中国厦门成立并有效存续，注册地址是中国厦门市同安区洪塘镇民安大道 799 号 6 楼。被许可方通过履行合资合同（定义如下），在中国从事用于数据通信及电信应用的基于 **POET 光学中介层™** 的 100G、200G 和 400G 光学引擎的应用设计、组装、调试、集成、营销。

WHEREAS, the shareholders of Licensee have agreed in the Joint Venture Contract that the Licensee shall receive from Licensor the right to use Licensor's registered trademarks and names in relation to the Licensee's registered company name as well as its manufacture and sales operations as set forth in article 2.1.

鉴于，被许可方的股东在合资合同中同意被许可方应从许可方处获得权利以在被许可方的注册公司名称及其生产和销售运营中根据第 2.1 条的规定使用许可方的注册商标及名称。

NOW THEREFORE, the Parties agree as follows:

有鉴于此，双方同意如下：

## **Article 1      Definitions**

### **第 1 条 – 定义**

For the purpose of this Agreement, the terms set forth in this Article 1, when employed in capital letters, either in the singular or plural form, are defined to mean the following:

就本协议而言，第 1 条中所列术语以大写字母形式（单数或复数形式）使用时，其含义是：

- 1.1 **"Affiliate"** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For the purpose of this definition, the term “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as used with respect to any Person, shall mean ownership of fifty percent (50%) or more of the registered capital,



equity share, and/or assets or the power to appoint or elect the majority of the directors of a company.

“**关联方**”是指直接或间接控制任何人、受任何人控制或者与任何人共同受控制的其他人。在本定义中，“控制”（包括含义相关的“控制”、“受控制”和“受共同控制”）是指任何人拥有一间公司的不低于百分之五十（50%）的注册资本、股权和/或资产或者多数董事任命权或选举权。

- 1.2 **"Agreement"** means this Trademark and Name License Agreement including all Annexes and any matters specifically incorporated herein by reference and made a part hereof.

“**协议**”是指本商标和名称许可协议，包括所有附件以及通过引用明确并入本文并成为其一部分的任何内容。

- 1.3 **"Business"** means Licensee's business as agreed in the Joint Venture Contract.

“**业务**”是指在合资合同中约定的被许可方业务。

- 1.4 **"CNY"** means Chinese Yuan, the lawful currency of China.

“**人民币**”是指人民币元，中国的法定货币。

- 1.5 **"Company Name"** means the registered name identifying Licensee, i.e. Super Photonics Xiamen Co., Ltd., including the specification of the legal form, all written in normal, upper and lower case letters.

“**公司名称**”是指被许可方的注册名称，即厦门超光集成有限公司，包括法定形式的说明，全部以普通、大写、小写字体表示。

- 1.6 **"Domain Name"** means the internet domain "[...]" and the respective email domain "[...]" registered and owned by Licensee.

“**域名**”是指被许可方注册并拥有的互联网域名“[...]”以及对应的电子邮件域名“[...]”。

- 1.7 **"Effective Date"** means the date this Agreement enters into force as per Article 11.1.

“**生效日期**”是指按第 11.1 条规定本协议生效的日期。

- 1.8 **"Joint Venture Contract"** means the joint venture contract between the Licensor and SAIC for the establishment of the Licensee.

“**合资合同**”是指许可方和 SAIC 就被许可方的设立订立的合资合同。

- 1.9 **"Licensed Designations"** means the Trademarks, Company Name, Domain Name and Material.

“**许可标识**”是指商标、公司名称、域名和资料。

**"Material"** means material (print or electronic) (i) relating to the Business for the purposes of marketing and advertising, such as advertising material, leaflets, brochures,

presentations, internet websites, handouts and material used in connection with trade fairs and exhibitions, (ii) relating to the technical description of products and/or services relating to the Business such as manuals, technical documentation, packaging material, type plates and product descriptions; (iii) business related documents such as stationary, business cards, business forms, e-mail signatures, delivery notes, invoices, purchase orders, offers, delivery conditions or other similar documents.

“材料”是指下列材料（印刷或电子）：（i）用于营销和广告目的的业务相关材料，例如广告材料、传单、小册子、演示文稿、互联网网站、免费资料以及与交易会、展览会相关的材料；（ii）与业务相关的产品和/或服务技术描述，例如手册、技术文档、包装材料、铭牌和产品描述；（iii）与业务有关的文件，例如文具、名片、业务表格、电子邮件签名、交货单、发票、采购订单、要约，交货条件或其他类似文件。

- 1.10 **"PRC" or "China"** means the People's Republic of China excluding, for the purpose of this Agreement, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan.

“中国”指中华人民共和国，就本协议而言，不包括香港特别行政区、澳门特别行政区和台湾。

- 1.11 **"Signage"** means the signage on/in buildings or on street signs providing direction at the facilities of Licensee and/or its Affiliates and/or marking the facilities of Licensee and/or its Affiliates.

“标志”是指建筑物上/内或指路牌上指向和/或标明被许可方和/或其关联方设施标志。

- 1.12 **"Trademarks"** means all trademarks, names, brands and logos as set out in Annex 1.

“商标”是指附件 1 中所列的所有商标、名称、品牌和标识。

## **Article 2 Grant of License**

### **第 2 条 – 授予许可**

- 2.1 As of the Effective Date, Licensor grants to Licensee and Licensee accepts a non-exclusive, non-transferable and fully-paid up license:

自生效日期起，许可方授予被许可方且被许可方接受非独占的、不可转让的且已缴足费用的许可：

- 2.1.1 to use the Trademarks on products which are manufactured by Licensee, and on Material and to advertise and to distribute, sell or make 100G/200G/400G optical engines available on respective territory's market provided in the Joint Venture Contract between Licensor and SAIC.

在被许可方生产的产品和材料上使用商标，用于在许可方和SAIC订立的合资合同中规定的对应地区市场中广告宣传和经销、销售或生产100G/200G/400G光学引擎。

- 2.1.2 to use the designation "POET" as part of the Company Name, on Material, Signage

and/or on any of Licensee's products in respective territory's market provided in the Joint Venture Contract between Licensor and SAIC;

使用“POET”标识作为公司名称的一部分，在材料、标志和/或任何被许可方在许可方和SAIC订立的合资合同中规定的对应地区市场中的任何产品上使用“POET”标识；

- 2.1.3 to use the designation "POET" as part of the Domain Names under all relevant country top level domains in respective territory's market provided in the Joint Venture Contract between Licensor and SAIC.

在许可方和SAIC订立的合资合同中规定的对应地区市场中使用“POET”标识作为所有相关国家顶级域名下的域名的一部分。

- 2.2 Licensee is not allowed to use any Licensed Designations in any way other than permitted under Article 2.1, or pledge or otherwise dispose of the rights granted to Licensee under this Agreement.

除第2.1条允许的方式外，被许可方不得使用许可标识，亦不得质押或以其他方式处置根据本协议授予被许可方的权利。

- 2.3 Licensor shall have the right to register this Agreement with the relevant official authorities and to de-register it upon termination. Upon the request of Licensor, Licensee shall support Licensor in and take all actions for (de-)registering this Agreement with relevant official authorities. Licensee shall reimburse Licensor of all costs and expenses related to such (de-)registration.

许可方有权在相关政府机构中注册本协议，并有权在终止时注销本协议。应许可方的要求，被许可方应支持许可方向相关政府机构注册（注销）本协议，并采取所有相关行动。被许可方应补偿许可方与此类注册（注销）相关的所有费用。

- 2.4 Any use of the Licensed Designations shall meet applicable high standards of quality and shall not be likely to harm the reputation of Licensor.

对许可标识的任何使用均应符合适用的高质量标准，并且不得损害许可方的声誉。

### **Article 3 No Sub-Licensing**

#### **第 3 条 - 禁止转许可**

Licensee is not allowed to sublicense any of Licensed Designations, or any other rights granted by the Licensor to the Licensee hereunder, to any other party, including Affiliates unless the Licensor has explicitly agreed to such sub-license and the respective terms and conditions in writing in advance.

除非许可方已明确同意转许可且事先以书面形式同意相关条款和条件，否则被许可方不得向任何其他方（包括关联方）转许可任何许可标识、或本协议下许可方授予被许可方的任何其他权利。

### **Article 4 Use of Licensed Designations**

## 第 4 条 - 许可标识的使用

- 4.1 Licensee shall not be entitled to use and shall procure that its Affiliates do not use any of the Licensed Designations in direct or indirect combination with any other trademark or commercial designation of Licensee or its Affiliates or of third parties nor in combination with any additional elements, including words, symbols, graphical designs, except in any case of the combination of any of the Licensed Designations with the Company Name.

被许可方无权并确保其关联方不得将任何许可标识与被许可方或其关联方或第三方的任何其他商标或商业标识直接或间接结合使用，也不得与任何附加元素包括文字、符号，图形设计在内的元素结合使用，除非将任何许可标识与公司名称组合。

- 4.2 Prior to the use of the Licensed Designations, Licensee shall submit to Licensor illustrations (e.g. pictures or drawings) of the specific use forms. Licensor shall revert to Licensee within thirty (30) days of receipt of each sample. If Licensor does not object in writing within thirty (30) days as of receipt of the sample, the sample shall be deemed approved. Such approval is only valid as long as the use does not substantially deviate from the approved sample.

在使用许可标识之前，被许可方应向许可方提交具体用途表格的插图（如图片或图纸）。许可方应在收到每个样图后的三十（30）天内回复被转许可方。如果许可方在收到样图后的三十（30）天内未提出书面反对意见，则该样图被视为获得批准。该批准只有在使用情况没有实质偏离获得批准的样本时有效。

## Article 5 Ownership of Licensed Designations

### 第 5 条 - 许可标识的所有权

- 5.1 This Agreement does not give Licensee any right, title or interest in the Licensed Designations other than the rights expressly granted herein. In particular, neither Licensee nor its Affiliates are entitled to register or apply for registration of the Trademarks or any trademarks related to or similar to the Licensed Designation in any country of the world or to otherwise seek protection, except for the registration of the Company Name and Domain Names.

本协议并未赋予被许可方在许可标识中除明确授予的权利以外的任何权利、所有权或利益。特别是，被许可方及其关联方均无权在世界任何国家注册或申请注册商标或与许可标识相关或相似的任何商标、或者以其他方式寻求保护，但注册公司名称和域名除外。

- 5.2 In the event that in any jurisdiction, subject to article 2.1.1, where Licensee's use of any Licensed Designations incurs to the benefit of Licensee or its Affiliates or results in any own rights of Licensee or its Affiliates, Licensee hereby assigns and shall procure that its Affiliates assign such rights to Licensor. Licensor hereby accepts the assignment. Licensee shall execute all necessary documents and shall deliver relevant documents to Licensor upon its request.

受限于第 2.1.1 条的规定，在任何司法辖区，如果被许可方对许可标识的使用带给被许可方或其关联方一定利益或导致被许可方或其关联方享有任何自有权利，被许可方在此转让并

确保其关联方将此权利转让给许可方。许可方特此接受转让。被许可方应签署所有必要的文件，并应要求将相关文件交付给许可方。

## **Article 6 Non-Assertion**

### **第 6 条 - 不诉声明**

6.1 Licensee undertakes to and shall procure that its Affiliates undertake to neither directly nor indirectly challenge the validity of Licensor's rights of any Licensed Designations or any other trademark owned by Licensor or its Affiliates by filing oppositions, nullity requests or taking comparable action.

被许可方承诺并确保使其关联方也承诺，不直接或间接通过提出异议、无效请求或进行类似诉讼的方式质疑许可方对任何许可标识或对许可方或其关联方拥有之任何其他商标享有的权利的有效性。

6.2 Licensee acknowledges that nothing in this Agreement shall be construed in a manner to give Licensee the right to assert any right against any third party based on the Licensed Designations. Licensee therefore undertakes and procures that its Affiliates undertake not to challenge the use of the Licensed Designations by any third party.

被许可方知晓本协议中的任何内容均不得解释为授予被许可方根据许可标识对任何第三方主张任何权利的权利。因此，被许可方承诺并促使其关联方承诺不对任何第三方使用许可标识提出质疑。

## **Article 7 Third Party Use**

### **第 7 条 - 第三方使用**

If a third party uses any Licensed Designations or any designation similar thereto without proper authorization in any country, subject to article 2.1.1, for products, services or material similar or identical to products and services of the Licensee, Material, and Signage ("Third Party Use") and Licensee becomes aware of such Third Party Use, Licensee shall immediately inform Licensor in writing. Licensor shall have the sole authority to decide after consultation with Licensee on the steps to be taken in regard of such Third Party Use.

如果第三方未经适当授权，在任何国家（受限于第 2.1.1 条的规定）在与被许可方之产品和服务、材料或标志相似或相同的产品、服务或材料中使用任何许可标识或任何与其类似的标识（“第三方使用”），在被许可方知道此类第三方使用时，被许可方应立即书面通知许可方。在与被许可方磋商后，许可方有权自行决定就此类第三方使用采取的措施。

## **Article 8 Challenges against Licensed Designations**

### **第 8 条 - 对许可标识的异议**

8.1 If any third party brings a claim against Licensee because of Licensee, or any of this third party manufacturers' use of the Licensed Designations, e.g. requesting discontinuance or claiming damages, Licensee shall inform Licensor in writing within three (3) business days after having received notice. Licensee shall provide Licensor with regular written updates

regarding the status of such dispute and shall make available to Licensor all relevant documents and grant Licensor access to all relevant files and any other relevant documents.

如果任何第三方由于被许可方或任何第三方制造商使用许可标识向被许可方提出索赔，例如要求中止或要求赔偿，被许可方应在收到通知后的三（3）个工作日内书面通知许可方。被许可方应向许可方定期提供关于此类争议状态的书面更新信息，并向许可方提供所有相关文件，并授权许可方取得所有相关文件和任何其他相关文档。

- 8.2 Upon written request of Licensee, Licensor shall assist Licensee in the defense against any claims as set out in Clause 8.1. Licensee shall reimburse Licensor of the costs (internal and external) which arise in connect with such defense.

经被许可方的书面要求，许可方应协助被许可方对第 8.1 条所述的任何索赔进行抗辩，被许可方应向许可方支付有关抗辩的费用（内部和外部）。

- 8.3 Licensor shall to the extent legally possible, take over the defense of Licensee against any action brought against Licensee because of the use of any Licensed Designations. Licensee shall assist in the defense against such actions upon request of Licensor.

许可方应在法律允许的范围内接手负责被许可方对由于使用任何许可标识而对被许可方提起的任何诉讼的抗辩。被许可方应根据许可方的请求协助进行诉讼抗辩。

## **Article 9 Warranty and Liability**

### **第 9 条 - 保证及责任**

- 9.1 Licensor does not assume any liability for the validity of the Licensed Designations, including any possible trademark forfeiture due to non-use.

许可方对许可标识的有效性不承担任何责任，包括因未使用而导致商标撤销。

- 9.2 Licensor does not guarantee that the use of any Licensed Designations does not infringe any third party rights

许可方不保证使用任何许可标识不会侵犯任何第三方权利。

- 9.3 Licensee hereby agrees to indemnify and hold Licensor harmless from and against all claims, suits and other actions initiated by third parties against Licensor and/or its Affiliates and the resulting damages, fines, liabilities and costs which arise as a consequence of (i) the development, manufacture of any products and services, Material, and Signage marked with Licensed Designations (ii) any other use of the Licensed Designations by Licensee, its Affiliates and/or its third party manufacturers, or (iii) any breach of this Agreement by Licensee (together the "Claims"). Licensor shall notify Licensee in writing of any Claims asserted or brought against it with regard to the use of any Licensed Designations. After Licensee has received such notification by Licensor and in the event that Licensee has confirmed to Licensor in writing that it acknowledges its obligations to indemnify Licensor, Licensor shall not accept the asserted Claim and shall not enter into any settlement agreement with any third party settling such a Claim without Licensee's prior approval.

被许可方在此同意赔偿许可方因第三方就以下事由对许可方和/或其关联方发起的所有索赔和民事诉讼以及由此产生的损害赔偿、罚款、责任和费用，并使许可方免受损害：（i）开发、制造任何标有许可标识的产品和服务、材料和标志；（ii）被许可方和/或其关联方、第三方制造商对许可标识的其他使用；或（iii）被许可方违反本协议（统称“索赔”）。许可方应以书面形式通知被许可方任何因使用许可标识而被主张或提起的索赔。被许可方收到许可方的通知后，且如果被许可方书面向许可方确认其有义务赔偿许可方，则许可方不得接受索赔要求，且未经被许可方事先批准不得与任何第三方就索赔达成任何和解协议。

## **Article 10 Force Majeure**

### **第 10 条 – 不可抗力**

Neither Party shall be held responsible or liable for the non-fulfillment of any of its obligations under this Agreement, provided and as long as such Party is hindered or prevented from fulfillment by any circumstances of "Force Majeure", which are deemed to include any events which are internationally recognized as occurring beyond a person's or company's reasonable control, such as, but not limited to, war, riot, strike, lock-out, flood, epidemics, other natural catastrophes, or terrorist attacks, and provided that the Party directly frustrated notifies the other Party without delay and in writing the beginning and end of any such circumstances. The Party directly frustrated shall use all reasonable efforts to minimize the hindrance or prevention from such fulfillment. Should circumstances of Force Majeure uninterruptedly hinder or prevent a Party from fulfillment of any of its obligations hereunder for a period exceeding six (6) months, the other Party shall be entitled to ask for an appropriate amendment of this Agreement or to terminate this Agreement by three (3) months written notice. A declaration to this effect shall be disregarded, if said circumstances of Force Majeure cease to exist within such three (3) months period.

任何一方均不对未履行本协议下的任何义务负责或承担任何责任，但前提是该方受到任何“不可抗力”情况的妨碍或阻止，此等不可抗力包括国际公认的超出个人或公司合理控制范围的事件，包括但不限于战争、暴动、罢工、封锁、洪水、流行病、其他自然灾害或恐怖袭击，但受到直接影响的一方应立即通知另一方，并书面通知任何此类情况的开始和结束。受到直接影响的当事方应尽一切合理努力，最大程度地减少阻碍或防止此类妨碍的实现。如果不可抗力的情况在超过六（6）个月的时间内不间断地妨碍或阻止一方履行其在本协议项下的任何义务，另一方有权要求对本协议进行适当的修改或提前三（3）个月书面通知以终止本协议。如果不可抗力情况在此三（3）个月内不复存在，则无须进行声明。

## **Article 11 Effective Date, Term, Termination**

### **第 11 条 – 生效日期、期限及终止**

11.1 This Agreement shall be established after being signed by both Parties and shall enter into force after (i) all approvals necessary for this Agreement and its performance, if any, are granted to and received by the Parties; and (ii) Licensee has obtained its business license which reflects the Joint Venture Contract in all substantial criteria (“**Effective Date**”).

本协议应经双方签署后成立，并应在（i）双方获得并收到本协议及其履行所必需的全部批准（如果有）以及（ii）被许可方获得在全部实体方面体现合资合同的营业执照后生效（“生效日期”）。

11.2 Unless earlier terminated as set forth in Article 10 or in Article 11.3, this Agreement shall remain in force for the duration of the Joint Venture Contract.

本协议应在合资合同期间持续有效，除非根据第 10 或第 11.3 条提前终止。

11.3 This Agreement may be prematurely terminated in writing with immediate effect by a Party having such right as herein below provided - and notwithstanding any other rights such Party may have - upon the occurrence of one of the following events:

如发生下列任一情况，具有下述规定权利的一方可以立即以书面形式提前终止本协议（尽管该方可能拥有其他权利）：

(i) by either Party in the event that the other Party voluntarily files a petition in bankruptcy or has such a petition involuntarily filed against it (which petition is not discharged within thirty (30) days after filing), or is placed in an insolvency proceeding, or if an order is entered appointing a receiver or trustee or a levy or attachment is made against a substantial portion of its assets which order shall not be vacated within thirty (30) days from date of entry, or if any assignment for the benefit of its creditors is made;

任一方可提前终止本协议，如果另一方自愿提出破产申请，或非自愿地被提出破产申请（该申请在提出后三十（30）天内未解除），或处于破产程序，或已被命令为其大部分的资产指定接管人或受托人，或其大部分资产被征收或扣押，且该命令不会在生效之日起三十（30）天内撤消，或者其债权人的利益被转让；

(ii) by either Party in the event that the other Party has failed to perform any material contractual obligation herein contained, provided that such default is not remedied to the first Party's reasonable satisfaction within sixty (60) days after receipt of written notice by the other Party specifying the nature of such default and requiring remedy of the same and further provided that the first Party has not committed any antecedent breach;

任一方可提前终止本协议，如果另一方未能履行本协议中包含的任何重大合同义务，但前提是违约方在收到该方指明违约性质并要求对其进行补救的书面通知后的六十（60）天内未纠正该违约行为使该方合理满意，且该方在此之前未曾发生任何违约；

(iii) by either Party if the Joint Venture Contract expires or is terminated or if such Party has a termination right under the Joint Venture Contract; or

任一方可提前终止本协议，如果合资合同到期或被终止，或者该方根据合资合同拥有终止权；或

(iv) by Licensor in the event that Licensee has undergone a "Change of Control".

许可方可提前终止本协议，如被许可方发生了“控制权变更”。

For purposes of this Article 11.3 (iv), a "**Change of Control**" shall mean a transaction or a series of related transactions (a) which result in the Licensor holding less than 30% in the Licensee, or (b) in which one or more parties who



did not previously, directly or indirectly (i) own more than 50% of Licensee's share capital or (ii) control more than 50% of the voting rights regarding Licensee or (iii) in any other way control Licensee (hereinafter referred to as "**Majority Stake**") obtain a Majority Stake in Licensee. Licensee shall inform Licensor in writing when it will undergo a "Change of Control" or latest ten (10) days after it has undergone a "Change of Control" (hereinafter referred to as "**Licensee's Written Notice**").

就第 11.3 (iv) 条而言，“**控制权变更**”是指一项交易或一系列相关交易 (a) 导致许可方持有被许可方少于 30% 的股份，或 (b) 在该项交易或该系列相关交易中，此前没有直接或间接 (i) 拥有被许可方超过 50% 的股份，或 (ii) 控制超过 50% 的被许可方的投票权，或 (iii) 以任何其他方式控制被许可方 (“**多数股权**”) 的一方或多方取得了被许可方的多数股权。被许可方应在将进行“控制权变更”或在“控制权变更”完成后最迟十 (10) 天内以书面形式通知许可方 (“**被许可方书面通知**)”。

If Licensee issues Licensee's Written Notice to Licensor before the "Change of Control" actually happens, Licensor shall inform Licensee whether it consents to such "Change of Control" or not in writing within thirty (30) days after receiving Licensee's Written Notice. If Licensor consents to the contemplated "Change of Control", it shall not be entitled to terminate this Agreement based on this Article 11.3 (iv). If Licensor does not consent to the contemplated "Change of Control", the Parties shall proceed with the process of appointing senior representatives and holding a negotiation meeting, as described in details in the following paragraph.

如果被许可方在“控制权变更”实际发生之前向许可方发出了被许可方书面通知，则许可方应在收到被许可方书面通知后的三十 (30) 天内以书面形式通知被许可方是否同意此“控制权变更”。如果许可方同意该拟议的“控制权变更”，则许可方无权根据第 11.3 (iv) 条终止本协议。如果许可方不同意所该拟议的“控制权变更”，则双方应根据以下款中所列的要求开始任命高级代表并举行谈判会议的流程。

If Licensee issues the Licensee's Written Notice to Licensor after the "Change of Control" actually happens, each Party shall promptly appoint a senior representative who shall promptly hold a negotiation meeting together to discuss and find possible solutions with regard to the effect caused by such "Change of Control" on Licensor's business. If no senior representative is appointed by Licensee or due to Licensee's reasons no negotiation meeting is held within thirty (30) days after Licensee issues Licensee's Written Notice, or if Licensor and Licensee fail to agree on the said material effect or to reach a solution within thirty (30) days after the negotiation meeting, Licensor may terminate this Agreement with immediate effect by informing Licensee in writing.

如果在实际发生“控制权变更”后，被许可方向许可方发出了被许可方书面通知，则各方应立即任命一名高级代表，由该高级代表立即共同召开谈判会议，以讨论和寻找因“控制权变更”对被许可方业务所产生的影响的可能解决方案。如果被许可方未任命任何高级代表，或由于被许可方的原因，在被许可方发出被许可方书面通知后三十 (30) 天内未举行任何谈判会议，或许许可方和被许可方未能在谈判会议结束

后三十（30）天内就上述重大影响达成共识或达成解决方案，许可方可以书面通知被许可方立即终止本协议。

In the event of that this Agreement is terminated pursuant to this Article 11.3 (iv), the rights granted to Licensee shall terminate, but the rights granted to Licensor shall survive such termination, subject to the Licensor's continued compliance with the terms and conditions of this Agreement.

如果本协议根据第 11.3（iv）条终止，则授予被许可方的权利应终止，但授予许可方的权利应在终止后继续有效，但前提是许可方继续遵守本协议的条款和条件。

## **Article 12 Rights and Obligations after Termination**

### **第 12 条 – 终止后的权利及义务**

12.1 In case of any termination of this Agreement, Licensee shall discontinue the use of the Licensed Designations after a period of three (3) months from the effectiveness of the termination. Licensee shall provide to Licensor any Material using any Licensed Designation left in stock after the expiration of the above three (3) month period.

如果本协议终止，则自终止生效之日起三（3）个月后，被许可方应停止使用许可标识。在上述三（3）个月的期限届满后，被许可方应向许可方提供库存的任何使用许可标识的材料。

12.2 Within one (1) month of the effectiveness of termination, Licensee shall (i) have made complete filings with the commercial registers or other relevant authorities to change its Company Name to a new company name which does not contain any Licensed Designations, (ii) have made complete filings with the relevant authorities to change its Domain Names to new domain names which do not contain any Licensed Designations, and (iii) inform Licensor of such new company and domain names. Licensee's right to use the Licensed Designations as part of the Company Name and Domain Names expires on the date on which the respective new company name or domain names has been validly registered, provided however that Licensor shall not assert any rights against Licensee for its use of the Licensed Designations as part of the Company Name or Domain Names on Material and Signage during the period of sixty (60) days after the date on which the respective new company name or domain names have been validly registered.

在终止生效后的一（1）个月内，被许可方应（i）向工商登记或其他有关主管部门提交完整的备案文件，以将其公司名称变更为不包含任何许可标识的新公司名称，（ii）向有关主管部门提交完整的备案文件，以将其域名更改为不包含任何许可标识的新域名，以及（iii）将新公司名称和新域名通知许可方。被许可方将许可标识用作公司名称和域名的一部分的权利在相应的新公司名称或域名被有效注册之日起失效，但是在相应的新公司名称或新域名被有效注册之日后的六十（60）天内，许可方不得就被许可方在材料及标志上使用许可标识作为公司名称或域名的一部分主张任何权利。

12.3 Termination of this Agreement shall not relieve a Party of any duty, claim or liability arisen or fallen due prior to termination.

本协议的终止不应免除一方在终止前应承担的任何义务、索赔或责任。

12.4 Articles 9, 11, 12, and 14 shall survive any termination of this Agreement.

本协议终止后，第 9、11、12 和 14 条应继续有效。

### **Article 13 Breach of Contract**

#### **第 13 条 – 违约**

13.1 If a Party fails to perform any of its obligations under this Agreement or if a Party's representation or warranty under this Agreement is untrue or materially inaccurate, such Party shall be deemed to have breached this Agreement. The Party in breach shall have thirty (30) days from receipt of notice from the other Party specifying the breach to cure such breach. If, after such thirty (30) day period, the breach is not cured to the reasonable satisfaction of the non-breaching Party, then the Party in breach shall be liable to the other Party for all direct and foreseeable damages. In the event more than one Party is in breach of the Agreement, each such Party shall bear its respective liability according to actual circumstances. Termination of this Agreement by either Party under Article 11 shall not exclude or affect in any way that Party's right to damages or any other remedy whether under this Article 13 or otherwise.

如果一方未能履行其在本协议项下的任何义务，或者一方在本协议项下的陈述或保证不真实或存在实质性错误，则应视为该方违反了本协议。违约方应在收到另一方指明违约的通知后三十（30）天内纠正违约行为。如果在三十（30）天的期限后，违约行为未得到非违约方合理满意程度的解决，则违约方应对另一方承担所有直接和可预见的损害赔偿。如果有一个以上的缔约方违反本协议，则每个缔约方应根据实际情况承担各自的责任。任何一方根据第 11 条终止本协议，均不排除或影响该方在第 13 条或其它条款下的损害赔偿权或其他救济权。

13.2 For any breach of Articles 2, 3, 4, 5 and/or 6 the non-breaching Party has the right to claim liquidated damages from the breaching Party in the amount of CNY 2,000,000 for each such breach, subject to the right of the non-breaching Party to claim further damages if and as so incurred. For breaches continuing over a period of time, each week of such continuous breach shall be regarded as one breach incurring the amount of liquidated damages.

对于违反第 2、3、4、5 和/或第 6 条的情况，非违约方有权就每次违约要求违约方支付违约金人民币 2,000,000 元，但不影响非违约方要求进一步赔偿（如有）的权利。对于持续一段时间的违约行为，持续违约的每个星期应被视为一次违约并产生违约金。

### **Article 14 Dispute Resolution**

#### **第 14 条 – 争议解决**

14.1 The Parties hereto will try to resolve any dispute, controversy or claim arising out of or in connection with this Agreement through friendly consultations between the Parties. But, if no settlement is reached within twenty (20) days from the date one Party notifies the other Party in writing of its intention to submit the dispute, controversy or claim to arbitration in accordance with this paragraph, then any such dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof, shall be finally and exclusively settled by arbitration conducted by the Singapore

International Arbitration Center (“**SIAC**”) in accordance with the Singapore International Arbitration Centre Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these Rules.

双方将通过友好协商方式解决因本协议引起的或与本协议有关的任何争端、争议或索赔。但是，如果在一方书面通知另一方其意欲根据本条款规定将争端、争议或索赔提交仲裁之日起二十（20）天内双方仍无法达成协议，则由本协议产生或与本协议相关的争端、争议或索赔，或本协议之违约、终止、无效，应由新加坡国际仲裁中心（“**SIAC**”）根据仲裁通知递交时有效的新加坡国际仲裁中心机构仲裁规定仲裁，仲裁裁决具有终局性和排他性。

- 14.2 The place of arbitration will be in Singapore at the SIAC. The arbitration proceedings will be conducted in English with Chinese translation.

仲裁地点为新加坡的新加坡国际仲裁中心。仲裁程序将以英文进行并配有中文翻译。

- 14.3 The arbitration tribunal will consist of three arbitrators. The Licensor shall appoint one arbitrator and the Licensee shall appoint one arbitrator. The presiding arbitrator will be nominated by the arbitrators selected by the Parties or, failing which within ten days from SIAC’s confirmation of the second arbitrator, be appointed by the SIAC Council.

仲裁庭由三名仲裁员组成。许可方和被许可方将各指定一名仲裁员。首席仲裁员由双方选定的仲裁员指定，如果未能在新加坡国际仲裁中心确认第二名仲裁员后十天内指定，则首席仲裁员由新加坡国际仲裁中心理事会任命。

- 14.4 The arbitration award is final and binding on the Parties, and the Parties agree to be bound thereby and to act accordingly. The costs of arbitration and the costs of enforcing the arbitration award (including witness expenses and attorneys’ reasonable fees) will be borne by the Party who shall perform obligations or bear the liability of breach under the arbitration award, unless otherwise determined by the arbitration award.

仲裁裁决是终局的，对双方均有约束力，双方同意受其约束并据此行事。仲裁费用和执行仲裁裁决的费用（包括证人费用和律师合理费用）由依据仲裁裁决履行义务或承担违约责任的一方承担，除非仲裁裁决另有规定。

- 14.5 In any proceedings under or relating to the arbitration, each Party will cooperate with the other Party in making full disclosure of and providing complete access to all information and documents reasonably requested by the other Party in connection with such arbitration proceeding.

在仲裁程序或有关程序中，一方都将与另一方合作，充分披露并提供给另一方合理要求的与该仲裁程序有关的所有信息和文件的完整访问权。

- 14.6 Any arbitration award may be enforced by any court having jurisdiction over the Party against which the award has been rendered, or wherever assets of that Party are located.

任何仲裁裁决均可由对被执行方或被执行方财产所在地具有管辖权的任何法院执行。

- 14.7 By agreeing to the settlement of any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity hereof by arbitration, each Party irrevocably waives its right to any form of appeal, review or

recourse to any court or other judicial authority, insofar as such waiver may be validly made.

各方同意通过仲裁解决因本协议引起的或与本协议有关的任何争端、争议或索赔，或本协议之违约、终止或无效，不可撤销地放弃其向任何法院或其他司法机构提出任何形式的上诉、复审或追索的权利，只要此类放弃是有效的。

## **Article 15    Applicable Law**

### **第 15 条 – 适用法律**

This Agreement shall be governed by and construed in accordance with the laws of the PRC without reference to the substantive law of any other county.

本协议应受中华人民共和国法律管辖并据其解释且不参考任何其他国家的实体法。

## **Article 16    Miscellaneous**

### **第 16 条 – 其他条款**

16.1 This Agreement cannot be modified except by written instrument signed by both Parties. This requirement of written form can only be waived in writing. If this Agreement requires a notice or document to be "in writing" or "in written form", such notice or document shall be duly signed by the sender by such person or persons duly authorized to legally bind the Party, and the signed notice or document shall be delivered, sent or transmitted to the other Party in its original form. For the avoidance of doubt electronic communication shall not qualify as a written notice or document.

除非双方签署书面文件，否则不得修改本协议。这种书面形式的要求只能以书面形式放弃。如果本协议要求通知或文件应以“书面”或“书面形式”，则该通知或文件应由寄送方合法授权之人正式签署后对该方有法律约束力，且应将已签署的通知或文件原件递送、发送或传送至另一方。为避免疑义，电子通讯方式不得作为书面通知或文件。

16.2 Except otherwise provided in this Agreement, communications between Licensor and Licensee shall be given in writing, by registered post and by email, in Chinese and English language to the following addresses of the Parties or to such other addresses as the Party concerned may subsequently notify in writing to the other Party:

除非本协议中另有规定，许可方与被许可方的通信应以书面形式进行，用中文和英文通过挂号信和电子邮件发送至双方的如下地址或相关一方随后可能以书面形式通知另一方的其它地址：

If to Licensor to/发送至许可方：

POET Technologies Inc.

Attn/收件人：Vivek Rajgarhia

Title/职务：President/总裁

Address/地址: 120 Eglinton Avenue East, Suite 1107, Toronto ON M4P 1E2

Tel/电话: (416) 368-9411

Email/电子邮箱: vivek@poet-technologies.com

If to Licensee to/发送至被许可方:

Super Photonics Xiamen Co., Ltd./厦门超光集成有限公司

Attn/收件人:

Title/职务:

Address/地址:

Tel/电话:

Fax/传真:

- 16.3 Neither the rights nor the obligations from this Agreement may be assigned or transferred in any manner, except with the prior written consent of the other Party and except as part of a transfer on the side of Licensor of all or of a substantial part of the activities to which the subject matter of this Agreement pertains whether by sale, merger or consolidation provided, however, that Licensor may assign any and all of its rights and obligations without the prior written consent of the Licensee to a Licensor Affiliate. In case of such a transfer the respective Party shall take care that the transferee, assignee or successor will comply with this Agreement.

本协议下的权利和义务不得以任何方式转让或让渡，除非事先获得另一方的书面同意，并且除了作为许可方将本协议标的有关活动的全部或重大部分通过销售、兼并或合并等方式转让的一部分，但前提是许可方可以不经被许可方事先书面同意将其任何和全部权利和义务转让给许可方的关联方。在该等转让中，相关方应注意使受让方、承让方或承继方遵守本协议。

- 16.4 If any of the provisions of this Agreement shall be adjudged to be invalid, illegal or unenforceable, unless the basic intentions of the Parties under this Agreement are substantially jeopardized, the validity, legality, and enforceability of the remaining provisions of this Agreement shall in no way be affected or impaired thereby and shall be enforced to the maximum extent permitted by applicable law. In such a case the Parties shall come to an agreement approximating as closely as possible the arrangement originally envisaged in this Agreement. The same applies to the closing of gaps in the Agreement.

若本协议中任何条款应被判定无效、不合法或无法执行，除非双方在本协议中的基本意图受到实质性危害，否则本协议其余条款之有效性、合法性与可执行性应不以任何方式受到影响或损害，并应在适用法律允许的最大程度内得以执行。在这种情况下，双方应在尽可能忠于本协议原先设想的安排达成新协议。此条亦适用于消除本协议存在的缺漏之处之情况。

- 16.5 **This Agreement constitutes the entire understanding and agreement between the Parties with respect to the subject matter and shall supersede and cancel all previous agreements, negotiations and commitments, either oral or written, relating hereto.**

本协议构成双方就标的所达成的全部理解与协议，并应替代、取消先前所有相关口头或书面协议、磋商及承诺。

- 16.6 **No explicit or implied waiver by any of the Parties to this Agreement of any breach of any term, condition or obligation of this Agreement shall be construed as a waiver of any subsequent or continuing breach of that term, condition or obligation or of any other term, condition or obligation of this Agreement of the same or of a different nature. Any waiver, consent, or approval of any kind regarding any breach, violation, default, provision or condition of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing.**

任一方明示或默示不追究对本协议任何条款、条件或义务的违约行为不应被解释为不追究对该条款、条件或义务或本协议中任何相同或不同性质的其他条款、条件或义务的任何后续或持续违约行为。对于对本协议的违约、违反、不履约、条款或条件的任何形式的不追究、同意或批准必须以书面形式进行，且仅在书面规定的具体范围内有效。

- 16.7 **Each Party agrees, upon reasonable request by the other Party to consent to the registration of this Agreement to the extent required by applicable law and without expense to this Party. Each Party waives any and all claims or defenses arising by virtue of the absence of such registration that might otherwise limit or affect its obligations to the other Party.**

每一方同意，应另一方合理请求，在适用法律规定的范围内及不承担相关费用的前提下同意对本协议进行登记。每一方放弃因未进行上述登记而可能导致另一方所承担的义务受到其他限制或影响的任何及所有权利主张或辩护。

- 16.8 **This Agreement is written in both English and Chinese. In case of any conflicts or discrepancies between the two language versions, the Parties will conduct good faith negotiations to establish a prevailing version taking into account the intentions the Parties had when entering into this Agreement. If the Parties fail to reach agreement, the English version shall prevail.**

本协议以英文和中文写就。若两种语言文本有任何冲突或不一致之处，则双方将进行诚挚协商，根据双方在签署本协议时的意图来确定以哪一个文本为准。如果双方不能协商一致，应以英文文本为准。

- 16.9 **This Agreement may be executed and delivered in any number of counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement and shall be enforceable as such.**

本协议可签署和交付多份对签文本，每份该等对签文本一经签署即应视为原件，而所有该等对签文本应共同构成同一份协议，并按同一份协议予以执行。



Place/地点:

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Name/姓名:

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(Print 正楷)

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Name/姓名:

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(Print 正楷)

Title/职务:

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Title/职务:

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**Annex 1**  
**to the Trademark and Name License Agreement**

**Trademarks**

商标和名称许可协议

附件 1

商标

**SCHEDULE F**

**附件 F**

**SAIC Trademark and Name License Agreement**

**SAIC 商标和名称许可协议**

by and between 由以下双方签订

**Xiamen San'an Integrated Circuit Co., Ltd./ 厦门市三安集成电路有限公司**

a PRC enterprise duly formed and validly existing in Xiamen, PRC, with its registered address of 304-26, South Building, 56-58 Huoju Road, Huoju Yuan, Huoju High-tech District, Xiamen

一家在中国厦门市合法设立且有效存续的公司，其注册地址为厦门市火炬高新区火炬园火炬路 56-58 南楼 304-26 号

- hereinafter referred to as "**Licensor**" /以下简称“许可方”-

And 和

**Super Photonics Xiamen Co., Ltd./ 厦门超光集成有限公司**

a limited liability company incorporated and existing under the laws of the PRC with its registered address at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, PRC

一间根据中华人民共和国法律合法设立且有效存续的有限责任公司，其注册地址是中国厦门市同安区洪塘镇民安大道 799 号 6 楼

- hereinafter referred to as "**Licensee**" /以下简称“被许可方”-

- Licensee and Licensor hereinafter collectively referred to as "**Parties**"  
and individually referred to as "**Party**" -

- 许可方和被许可方以下合称“双方”，单独称作“一方”-

**【     】 2020**

2020 年 月 日

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**Annex 1**      Trademarks

**附件 1**      商标

WHEREAS, the Licensor is a compound semiconductor manufacturing company in the fields of microwave radio frequency, high power electronics and optical communications.

鉴于，许可方是一家微波射频、高功率电力电子及光通讯领域的化合物半导体制造公司。

WHEREAS, the Licensee is established as a joint venture company between the Licensor and POET Technologies Inc. (hereinafter referred to as "**POET**"), a publicly listed Company duly formed and validly existing in Canada, with its registered address of 120 Eglinton Avenue East, Suite # 1107, Toronto, Ontario, Canada, by operation of the Joint Venture Contract as defined below, to conduct application design, assembly, test, integration, marketing and sale of 100G/200G/400G optical engines based on the **POET Optical Interposer™** for data communications and telecommunications applications in China.

鉴于，被许可方系由许可方与 POET Technologies Inc.（以下简称“**POET**”）共同设立的合资企业，POET 是一家在加拿大合法设立且有效存续的公司，其注册地址为加拿大安大略省多伦多市艾林顿东街 120 号 1107 室。被许可方通过履行合资合同（定义如下），在中国从事用于数据通信及电信应用的基于 **POET 光学中介层™** 的 100G、200G 和 400G 光学引擎的应用设计、组装、调试、集成、营销。

WHEREAS, the shareholders of Licensee have agreed in the Joint Venture Contract that the Licensee shall receive from Licensor the right to use Licensor's registered trademarks and names in relation to the Licensee's registered company name as well as its manufacture and sales operations as set forth in article 2.1.

鉴于，被许可方的股东在合资合同中同意被许可方应从许可方处获得权利以在被许可方的注册公司名称及其生产和销售运营中根据第 2.1 条的规定使用许可方的注册商标及名称。

NOW THEREFORE, the Parties agree as follows:

有鉴于此，双方同意如下：

## **Article 1 Definitions**

### **第 1 条 – 定义**

For the purpose of this Agreement, the terms set forth in this Article 1, when employed in capital letters, either in the singular or plural form, are defined to mean the following:

就本协议而言，第 1 条中所列术语以大写字母形式（单数或复数形式）使用时，其含义是：

- 1.1 "**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For the purpose of this definition, the term "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as used with respect to any Person, shall mean ownership of fifty percent (50%) or more of the registered capital, equity share, and/or assets or the power to appoint or elect the majority of the directors of a company.

“**关联方**”是指直接或间接控制任何人、受任何人控制或者与任何人共同受控制的其他人。在本定义中，“控制”（包括含义相关的“控制”、“受控制”和“受共同控制”）是指任何人拥有

一间公司的不低于百分之五十（50%）的注册资本、股权和/或资产或者多数董事任命权或选举权。

- 1.2 **"Agreement"** means this Trademark and Name License Agreement including all Annexes and any matters specifically incorporated herein by reference and made a part hereof.

“协议”是指本商标和名称许可协议，包括所有附件以及通过引用明确并入本文并成为其一部分的任何内容。

- 1.3 **"Business"** means Licensee's business as agreed in the Joint Venture Contract.

“业务”是指在合资合同中约定的被许可方业务。

- 1.4 **"CNY"** means Chinese Yuan, the lawful currency of China.

“人民币”是指人民币元，中国的法定货币。

- 1.5 **"Company Name"** means the registered name identifying Licensee, i.e. Super Photonics Xiamen Co., Ltd., including the specification of the legal form, all written in normal, upper and lower case letters.

“公司名称”是指被许可方的注册名称，即厦门超光集成有限公司，包括法定形式的说明，全部以普通、大写、小写字体表示。

- 1.6 **"Domain Name"** means the internet domain "[...]" and the respective email domain "[...]" registered and owned by Licensee.

“域名”是指被许可方注册并拥有的互联网域名“[...]”以及对应的电子邮件域名“[...]”。

- 1.7 **"Effective Date"** means the date this Agreement enters into force as per Article 11.1.

“生效日期”是指按第 11.1 条规定本协议生效的日期。

- 1.8 **"Joint Venture Contract"** means the joint venture contract between the Licensor and POET for the establishment of the Licensee.

“合资合同”是指许可方和 POET 就被许可方的设立订立的合资合同。

- 1.9 **"Licensed Designations"** means the Trademarks, Company Name, Domain Name and Material.

“许可标识”是指商标、公司名称、域名和资料。

**"Material"** means material (print or electronic) (i) relating to the Business for the purposes of marketing and advertising, such as advertising material, leaflets, brochures, presentations, internet websites, handouts and material used in connection with trade fairs and exhibitions, (ii) relating to the technical description of products and/or services relating to the Business such as manuals, technical documentation, packaging material, type plates and product descriptions; (iii) business related documents such as stationary,

business cards, business forms, e-mail signatures, delivery notes, invoices, purchase orders, offers, delivery conditions or other similar documents.

“材料”是指下列材料（印刷或电子）：（i）用于营销和广告目的的业务相关材料，例如广告材料、传单、小册子、演示文稿、互联网网站、免费资料以及与交易会、展览会相关的材料；（ii）与业务相关的产品和/或服务技术描述，例如手册、技术文档、包装材料、铭牌和产品描述；（iii）与业务有关的文件，例如文具、名片、业务表格、电子邮件签名、交货单、发票、采购订单、要约，交货条件或其他类似文件。

- 1.10 "PRC" or "China" means the People's Republic of China excluding, for the purpose of this Agreement, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan.

“中国”指中华人民共和国，就本协议而言，不包括香港特别行政区、澳门特别行政区和台湾。

- 1.11 "Signage" means the signage on/in buildings or on street signs providing direction at the facilities of Licensee and/or its Affiliates and/or marking the facilities of Licensee and/or its Affiliates.

“标志”是指建筑物上/内或指路牌上指向和/或标明被许可方和/或其关联方设施标志。

- 1.12 "Trademarks" means all trademarks, names, brands and logos as set out in Annex 1.

“商标”是指附件 1 中所列的所有商标、名称、品牌和标识。

## Article 2 Grant of License

### 第 2 条 – 授予许可

- 2.1 As of the Effective Date, Licensor grants to Licensee and Licensee accepts a nonexclusive, non-transferable and fully-paid up license:

自生效日期起，许可方授予被许可方且被许可方接受非独占的、不可转让的且已缴足费用的许可：

- 2.1.1 to use the Trademarks on products which are manufactured by Licensee, and on Material and to advertise and to distribute, sell or make 100G/200G/400G optical engines available on respective territory's market provided in the Joint Venture Contract between Licensor and POET.

在被许可方生产的产品和材料上使用商标，用于在许可方和POET订立的合资合同中规定的对应地区市场中广告宣传和经销、销售或生产100G/200G/400G光学引擎。

- 2.1.2 to use the designation "SAIC" as part of the Company Name, on Material, Signage and/or on any of Licensee's products in respective territory's market provided in the Joint Venture Contract between Licensor and POET;



使用“SAIC”标识作为公司名称的一部分，在材料、标志和/或任何被许可方在许可方和POET订立的合资合同中规定的对应地区市场中的任何产品上使用“SAIC”标识；

- 2.1.3 to use the designation "SAIC" as part of the Domain Names under all relevant country top level domains in respective territory's market provided in the Joint Venture Contract between Licensor and POET.

在许可方和POET订立的合资合同中规定的对应地区市场中使用“SAIC”标识作为所有相关国家顶级域名下的域名的一部分。

- 2.2 Licensee is not allowed to use any Licensed Designations in any way other than permitted under Article 2.1, or pledge or otherwise dispose of the rights granted to Licensee under this Agreement.

除第2.1条允许的方式外，被许可方不得使用许可标识，亦不得质押或以其他方式处置根据本协议授予被许可方的权利。

- 2.3 Licensor shall have the right to register this Agreement with the relevant official authorities and to de-register it upon termination. Upon the request of Licensor, Licensee shall support Licensor in and take all actions for (de-)registering this Agreement with relevant official authorities. Licensee shall reimburse Licensor of all costs and expenses related to such (de-)registration.

许可方有权在相关政府机构中注册本协议，并有权在终止时注销本协议。应许可方的要求，被许可方应支持许可方向相关政府机构注册（注销）本协议，并采取所有相关行动。被许可方应补偿许可方与此类注册（注销）相关的所有费用。

- 2.4 Any use of the Licensed Designations shall meet applicable high standards of quality and shall not be likely to harm the reputation of Licensor.

对许可标识的任何使用均应符合适用的高质量标准，并且不得损害许可方的声誉。

### **Article 3 No Sub-Licensing**

#### **第3条 - 禁止转许可**

Licensee is not allowed to sublicense any of Licensed Designations, or any other rights granted by the Licensor to the Licensee hereunder, to any other party, including Affiliates unless the Licensor has explicitly agreed to such sub-license and the respective terms and conditions in writing in advance.

除非许可方已明确同意转许可且事先以书面形式同意相关条款和条件，否则被许可方不得向任何其他方（包括关联方）转许可任何许可标识、或本协议下许可方授予被许可方的任何其他权利。

## **Article 4 Use of Licensed Designations**

### **第 4 条 - 许可标识的使用**

- 4.1 Licensee shall not be entitled to use and shall procure that its Affiliates do not use any of the Licensed Designations in direct or indirect combination with any other trademark or commercial designation of Licensee or its Affiliates or of third parties nor in combination with any additional elements, including words, symbols, graphical designs, except in any case of the combination of any of the Licensed Designations with the Company Name.

被许可方无权并应确保其关联方不得将任何许可标识与被许可方或其关联方或第三方的任何其他商标或商业标识直接或间接结合使用，也不得与任何附加元素包括文字、符号，图形设计在内的元素结合使用，除非将任何许可标识与公司名称组合。

- 4.2 Prior to the use of the Licensed Designations, Licensee shall submit to Licensor illustrations (e.g. pictures or drawings) of the specific use forms. Licensor shall revert to Licensee within thirty (30) days of receipt of each sample. If Licensor does not object in writing within thirty (30) days as of receipt of the sample, the sample shall be deemed approved. Such approval is only valid as long as the use does not substantially deviate from the approved sample.

在使用许可标识之前，被许可方应向许可方提交具体用途表格的插图（如图片或图纸）。许可方应在收到每个样图后的三十（30）天内回复被转许可方。如果许可方在收到样图后的三十（30）天内未提出书面反对意见，则该样图被视为获得批准。该批准只有在使用情况没有实质偏离获得批准的样本时有效。

## **Article 5 Ownership of Licensed Designations**

### **第 5 条 - 许可标识的所有权**

- 5.1 This Agreement does not give Licensee any right, title or interest in the Licensed Designations other than the rights expressly granted herein. In particular, neither Licensee nor its Affiliates are entitled to register or apply for registration of the Trademarks or any trademarks related to or similar to the Licensed Designation in any country of the world or to otherwise seek protection, except for the registration of the Company Name and Domain Names.

本协议并未赋予被许可方在许可标识中除明确授予的权利以外的任何权利、所有权或利益。特别是，被许可方及其关联方均无权在世界任何国家注册或申请注册商标或与许可标识相关或相似的任何商标、或者以其他方式寻求保护，但注册公司名称和域名除外。

- 5.2 In the event that in any jurisdiction, subject to article 2.1.1, where Licensee's use of any Licensed Designations incurs to the benefit of Licensee or its Affiliates or results in any own rights of Licensee or its Affiliates, Licensee hereby assigns and shall procure that its Affiliates assign such rights to Licensor. Licensor hereby accepts the assignment. Licensee shall execute all necessary documents and shall deliver relevant documents to Licensor upon its request.

受限于第 2.1.1 条的规定，在任何司法辖区，如果被许可方对许可标识的使用带给被许可方或其关联方一定利益或导致被许可方或其关联方享有任何自有权利，被许可方在此转让并确保其关联方将此权利转让给许可方。许可方特此接受转让。被许可方应签署所有必要的文件，并应要求将相关文件交付给许可方。

## **Article 6 Non-Assertion**

### **第 6 条 - 不诉声明**

- 6.1 Licensee undertakes to and shall procure that its Affiliates undertake to neither directly nor indirectly challenge the validity of Licensor's rights of any Licensed Designations or any other trademark owned by Licensor or its Affiliates by filing oppositions, nullity requests or taking comparable action.

被许可方承诺并确保使其关联方也承诺，不直接或间接通过提出异议、无效请求或进行类似诉讼的方式质疑许可方对任何许可标识或对许可方或其关联方拥有之任何其他商标享有的权利的有效性。

- 6.2 Licensee acknowledges that nothing in this Agreement shall be construed in a manner to give Licensee the right to assert any right against any third party based on the Licensed Designations. Licensee therefore undertakes and procures that its Affiliates undertake not to challenge the use of the Licensed Designations by any third party.

被许可方知晓本协议中的任何内容均不得解释为授予被许可方根据许可标识对任何第三方主张任何权利的权利。因此，被许可方承诺并促使其关联方承诺不对任何第三方使用许可标识提出质疑。

## **Article 7 Third Party Use**

### **第 7 条 - 第三方使用**

If a third party uses any Licensed Designations or any designation similar thereto without proper authorization in any country, subject to article 2.1.1, for products, services or material similar or identical to products and services of the Licensee, Material, and Signage ("Third Party Use") and Licensee becomes aware of such Third Party Use, Licensee shall immediately inform Licensor in writing. Licensor shall have the sole authority to decide after consultation with Licensee on the steps to be taken in regard of such Third Party Use.

如果第三方未经适当授权，在任何国家（受限于第 2.1.1 条的规定）在与被许可方之产品和服务、材料或标志相似或相同的产品、服务或材料中使用任何许可标识或任何与其类似的标识（“第三方使用”），在被许可方知道此类第三方使用时，被许可方应立即书面通知许可方。在与被许可方磋商后，许可方有权自行决定就此类第三方使用采取的措施。

## Article 8 Challenges against Licensed Designations

### 第 8 条 - 对许可标识的异议

- 8.1 If any third party brings a claim against Licensee because of Licensee, or any of this third party manufacturers' use of the Licensed Designations, e.g. requesting discontinuance or claiming damages, Licensee shall inform Licensor in writing within three (3) business days after having received notice. Licensee shall provide Licensor with regular written updates regarding the status of such dispute and shall make available to Licensor all relevant documents and grant Licensor access to all relevant files and any other relevant documents.

如果任何第三方由于被许可方或任何第三方制造商使用许可标识向被许可方提出索赔，例如要求中止或要求赔偿，被许可方应在收到通知后的三（3）个工作日内书面通知许可方。被许可方应向许可方定期提供关于此类争议状态的书面更新信息，并向许可方提供所有相关文件，并授权许可方取得所有相关文件和任何其他相关文档。

- 8.2 Upon written request of Licensee, Licensor shall assist Licensee in the defense against any claims as set out in Clause 8.1. Licensee shall reimburse Licensor of the costs (internal and external) which arise in connect with such defense.

经被许可方的书面要求，许可方应协助被许可方对第 8.1 条所述的任何索赔进行抗辩，被许可方应向许可方支付有关抗辩的费用（内部和外部）。

- 8.3 Licensor shall to the extent legally possible, take over the defense of Licensee against any action brought against Licensee because of the use of any Licensed Designations. Licensee shall assist in the defense against such actions upon request of Licensor.

许可方应在法律允许的范围内接手负责被许可方对由于使用任何许可标识而对被许可方提起的任何诉讼的抗辩。被许可方应根据许可方的请求协助进行诉讼抗辩。

## Article 9 Warranty and Liability

### 第 9 条 - 保证及责任

- 9.1 Licensor does not assume any liability for the validity of the Licensed Designations, including any possible trademark forfeiture due to non-use.

许可方对许可标识的有效性不承担任何责任，包括因未使用而导致商标撤销。

- 9.2 Licensor does not guarantee that the use of any Licensed Designations does not infringe any third party rights

许可方不保证使用任何许可标识不会侵犯任何第三方权利。

- 9.3 Licensee hereby agrees to indemnify and hold Licensor harmless from and against all claims, suits and other actions initiated by third parties against Licensor and/or its Affiliates and the resulting damages, fines, liabilities and **costs which arise as a**

consequence of (i) the development, manufacture of any products and services, Material, and Signage marked with Licensed Designations (ii) any other use of the Licensed Designations by Licensee, its Affiliates and/or its third party manufacturers, or (iii) any breach of this Agreement by Licensee (together the "Claims"). Licensor shall notify Licensee in writing of any Claims asserted or brought against it with regard to the use of any Licensed Designations. After Licensee has received such notification by Licensor and in the event that Licensee has confirmed to Licensor in writing that it acknowledges its obligations to indemnify Licensor, Licensor shall not accept the asserted Claim and shall not enter into any settlement agreement with any third party settling such a Claim without Licensee's prior approval.

被许可方在此同意赔偿许可方因第三方就以下事由对许可方和/或其关联方发起的所有索赔和民事诉讼以及由此产生的损害赔偿、罚款、责任和费用，并使许可方免受损害：（i）开发、制造任何标有许可标识的产品和服务、材料和标志；（ii）被许可方和/或其关联方、第三方制造商对许可标识的其他使用；或（iii）被许可方违反本协议（统称“索赔”）。许可方应以书面形式通知被许可方任何因使用许可标识而被主张或提起的索赔。被许可方收到许可方的通知后，且如果被许可方书面向许可方确认其有义务赔偿许可方，则许可方不得接受索赔要求，且未经被许可方事先批准不得与任何第三方就索赔达成任何和解协议。

## **Article 10 Force Majeure**

### **第 10 条 – 不可抗力**

Neither Party shall be held responsible or liable for the non-fulfillment of any of its obligations under this Agreement, provided and as long as such Party is hindered or prevented from fulfillment by any circumstances of "Force Majeure", which are deemed to include any events which are internationally recognized as occurring beyond a person's or company's reasonable control, such as, but not limited to, war, riot, strike, lock-out, flood, epidemics, other natural catastrophes, or terrorist attacks, and provided that the Party directly frustrated notifies the other Party without delay and in writing the beginning and end of any such circumstances. The Party directly frustrated shall use all reasonable efforts to minimize the hindrance or prevention from such fulfillment. Should circumstances of Force Majeure uninterruptedly hinder or prevent a Party from fulfillment of any of its obligations hereunder for a period exceeding six (6) months, the other Party shall be entitled to ask for an appropriate amendment of this Agreement or to terminate this Agreement by three (3) months written notice. A declaration to this effect shall be disregarded, if said circumstances of Force Majeure cease to exist within such three (3) months period.

任何一方均不对未履行本协议下的任何义务负责或承担任何责任，但前提是该方受到任何“不可抗力”情况的妨碍或阻止，此等不可抗力包括国际公认的超出个人或公司合理控制范围的事件，包括但不限于战争、暴动、罢工、封锁、洪水、流行病、其他自然灾害或恐怖袭击，但受到直接影响的一方应立即通知另一方，并书面通知任何此类情况的开始和结束。受到直接影响的当事方应尽一切合理努力，最大程度地减少阻碍或防止此类妨碍的实现。如果不可抗力的情况在超过六（6）个月的时间内不间断地妨碍或阻止一方履行其在本协议项下的任何义务，另一方有权要求对本协议进行适当的修改或提前三（3）个月书面通知以终止本协议。如果不可抗力情况在此三（3）个月内不复存在，则无须进行声明。

## Article 11 Effective Date, Term, Termination

### 第 11 条 – 生效日期、期限及终止

- 11.1 This Agreement shall be established after being signed by both Parties and shall enter into force after (i) all approvals necessary for this Agreement and its performance, if any, are granted to and received by the Parties; and (ii) Licensee has obtained its business license which reflects the Joint Venture Contract in all substantial criteria (“**Effective Date**”).

本协议应经双方签署后成立，并应在（i）双方获得并收到本协议及其履行所必需的全部批准（如果有）以及（ii）被许可方获得在全部实体方面体现合资合同的营业执照后生效（“生效日期”）。

- 11.2 Unless earlier terminated as set forth in Article 10 or in Article 11.3, this Agreement shall remain in force for the duration of the Joint Venture Contract.

本协议应在合资合同期间持续有效，除非根据第 10 或第 11.3 条提前终止。

- 11.3 This Agreement may be prematurely terminated in writing with immediate effect by a Party having such right as herein below provided - and notwithstanding any other rights such Party may have - upon the occurrence of one of the following events:

如发生下列任一情况，具有下述规定权利的一方可以立即以书面形式提前终止本协议（尽管该方可能拥有其他权利）：

- (i) by either Party in the event that the other Party voluntarily files a petition in bankruptcy or has such a petition involuntarily filed against it (which petition is not discharged within thirty (30) days after filing), or is placed in an insolvency proceeding, or if an order is entered appointing a receiver or trustee or a levy or attachment is made against a substantial portion of its assets which order shall not be vacated within thirty (30) days from date of entry, or if any assignment for the benefit of its creditors is made;

任一方可提前终止本协议，如果另一方自愿提出破产申请，或非自愿地被提出破产申请（该申请在提出后三十（30）天内未解除），或处于破产程序，或已被命令为其大部分的资产指定接管人或受托人，或其大部分资产被征收或扣押，且该命令不会在生效之日起三十（30）天内撤消，或者其债权人的利益被转让；

- (ii) by either Party in the event that the other Party has failed to perform any material contractual obligation herein contained, provided that such default is not remedied to the first Party's reasonable satisfaction within sixty (60) days after receipt of written notice by the other Party specifying the nature of such default and requiring remedy of the same and further provided that the first Party has not committed any antecedent breach;

任一方可提前终止本协议，如果另一方未能履行本协议中包含的任何重大合同义务，但前提是违约方在收到该方指明违约性质并要求对其进行补救的书面通知后的六十（60）天内未纠正该违约行为使该方合理满意，且该方在此之前未曾发生任何违约；

- (iii) by either Party if the Joint Venture Contract expires or is terminated or if such Party has a termination right under the Joint Venture Contract; or

任一方可提前终止本协议，如果合资合同到期或被终止，或者该方根据合资合同拥有终止权；或

- (iv) by Licensor in the event that Licensee has undergone a "Change of Control".

许可方可提前终止本协议，如被许可方发生了“控制权变更”。

For purposes of this Article 11.3 (iv), a "**Change of Control**" shall mean a transaction or a series of related transactions (a) which result in the Licensor holding less than 30% in the Licensee, or (b) in which one or more parties who did not previously, directly or indirectly (i) own more than 50% of Licensee's share capital or (ii) control more than 50% of the voting rights regarding Licensee or (iii) in any other way control Licensee (hereinafter referred to as "**Majority Stake**") obtain a Majority Stake in Licensee. Licensee shall inform Licensor in writing when it will undergo a "Change of Control" or latest ten (10) days after it has undergone a "Change of Control" (hereinafter referred to as "**Licensee's Written Notice**").

就第 11.3 (iv) 条而言，“**控制权变更**”是指一项交易或一系列相关交易 (a) 导致许可方持有被许可方少于 30% 的股份，或 (b) 在该项交易或该系列相关交易中，此前没有直接或间接 (i) 拥有被许可方超过 50% 的股份，或 (ii) 控制超过 50% 的被许可方的投票权，或 (iii) 以任何其他方式控制被许可方 (“**多数股权**”) 的一方或多方取得了被许可方的多数股权。被许可方应在将进行“控制权变更”或在“控制权变更”完成后最迟十 (10) 天内以书面形式通知许可方 (“**被许可方书面通知**”)。

If Licensee issues Licensee's Written Notice to Licensor before the "Change of Control" actually happens, Licensor shall inform Licensee whether it consents to such "Change of Control" or not in writing within thirty (30) days after receiving Licensee's Written Notice. If Licensor consents to the contemplated "Change of Control", it shall not be entitled to terminate this Agreement based on this Article 11.3 (iv). If Licensor does not consent to the contemplated "Change of Control", the Parties shall proceed with the process of appointing senior representatives and holding a negotiation meeting, as described in details in the following paragraph.

如果被许可方在“控制权变更”实际发生之前向许可方发出了被许可方书面通知，则许可方应在收到被许可方书面通知后的三十 (30) 天内以书面形式通知被许可方是否同意此“控制权变更”。如果许可方同意该拟议的“控制权变更”，则许可方无权根据第 11.3 (iv) 条终止本协议。如果许可方不同意所该拟议的“控制权变更”，则双方应根据以下款中所列的要求开始任命高级代表并举行谈判会议的流程。

If Licensee issues the Licensee's Written Notice to Licensor after the "Change of Control" actually happens, each Party shall promptly appoint a senior representative who shall promptly hold a negotiation meeting together to discuss and find possible solutions with regard to the effect caused by such "Change of

Control” on Licensor’s business. If no senior representative is appointed by Licensee or due to Licensee’s reasons no negotiation meeting is held within thirty (30) days after Licensee issues Licensee’s Written Notice, or if Licensor and Licensee fail to agree on the said material effect or to reach a solution within thirty (30) days after the negotiation meeting, Licensor may terminate this Agreement with immediate effect by informing Licensee in writing.

如果在实际发生“控制权变更”后，被许可方向许可方发出了被许可方书面通知，则各方应立即任命一名高级代表，由该高级代表立即共同召开谈判会议，以讨论和寻找因“控制权变更”对被许可方业务所产生的影响的可能解决方案。如果被许可方未任命任何高级代表，或由于被许可方的原因，在被许可方发出被许可方书面通知后三十（30）天内未举行任何谈判会议，或许可方和被许可方未能在谈判会议结束后三十（30）天内就上述重大影响达成共识或达成解决方案，许可方可以书面通知被许可方立即终止本协议。

In the event of that this Agreement is terminated pursuant to this Article 11.3 (iv), the rights granted to Licensee shall terminate, but the rights granted to Licensor shall survive such termination, subject to the Licensor's continued compliance with the terms and conditions of this Agreement.

如果本协议根据第 11.3 (iv) 条终止，则授予被许可方的权利应终止，但授予许可方的权利应在终止后继续有效，但前提是许可方继续遵守本协议的条款和条件。

## **Article 12 Rights and Obligations after Termination**

### **第 12 条 – 终止后的权利及义务**

12.1 In case of any termination of this Agreement, Licensee shall discontinue the use of the Licensed Designations after a period of three (3) months from the effectiveness of the termination. Licensee shall provide to Licensor any Material using any Licensed Designation left in stock after the expiration of the above three (3) month period.

如果本协议终止，则自终止生效之日起三（3）个月后，被许可方应停止使用许可标识。在上述三（3）个月的期限届满后，被许可方应向许可方提供库存的任何使用许可标识的材料。

12.2 Within one (1) month of the effectiveness of termination, Licensee shall (i) have made complete filings with the commercial registers or other relevant authorities to change its Company Name to a new company name which does not contain any Licensed Designations, (ii) have made complete filings with the relevant authorities to change its Domain Names to new domain names which do not contain any Licensed Designations, and (iii) inform Licensor of such new company and domain names. Licensee's right to use the Licensed Designations as part of the Company Name and Domain Names expires on the date on which the respective new company name or domain names has been validly registered, provided however that Licensor shall not assert any rights against Licensee for its use of the Licensed Designations as part of the Company Name or Domain Names on Material and Signage during the period of sixty (60) days after the date on which the respective new company name or domain names have been validly registered.



在终止生效后的一（1）个月内，被许可方应（i）向工商登记或其他有关主管部门提交完整的备案文件，以将其公司名称变更为不包含任何许可标识的新公司名称，（ii）向有关主管部门提交完整的备案文件，以将其域名更改为不包含任何许可标识的新域名，以及（iii）将新公司名称和新域名通知许可方。被许可方将许可标识用作公司名称和域名的一部分的权利在相应的新公司名称或域名被有效注册之日起失效，但是在相应的新公司名称或域名被有效注册之日后的六十（60）天内，许可方不得就被许可方在材料及标志上使用许可标识作为公司名称或域名的一部分主张任何权利。

**12.3 Termination of this Agreement shall not relieve a Party of any duty, claim or liability arisen or fallen due prior to termination.**

本协议的终止不应免除一方在终止前应承担的任何义务、索赔或责任。

**12.4 Articles 9, 11, 12, and 14 shall survive any termination of this Agreement.**

本协议终止后，第 9、11、12 和 14 条应继续有效。

## **Article 13 Breach of Contract**

### **第 13 条 – 违约**

**13.1 If a Party fails to perform any of its obligations under this Agreement or if a Party's representation or warranty under this Agreement is untrue or materially inaccurate, such Party shall be deemed to have breached this Agreement. The Party in breach shall have thirty (30) days from receipt of notice from the other Party specifying the breach to cure such breach. If, after such thirty (30) day period, the breach is not cured to the reasonable satisfaction of the non-breaching Party, then the Party in breach shall be liable to the other Party for all direct and foreseeable damages. In the event more than one Party is in breach of the Agreement, each such Party shall bear its respective liability according to actual circumstances. Termination of this Agreement by either Party under Article 11 shall not exclude or affect in any way that Party's right to damages or any other remedy whether under this Article 13 or otherwise.**

如果一方未能履行其在本协议项下的任何义务，或者一方在本协议项下的陈述或保证不真实或存在实质性错误，则应视为该方违反了本协议。违约方应在收到另一方指明违约的通知后三十（30）天内纠正违约行为。如果在三十（30）天的期限后，违约行为未得到非违约方合理满意程度的解决，则违约方应对另一方承担所有直接和可预见的损害赔偿。如果有一个以上的缔约方违反本协议，则每个缔约方应根据实际情况承担各自的责任。任何一方根据第 11 条终止本协议，均不排除或影响该方在第 13 条或其它条款下的损害赔偿权或其他救济权。

**13.2 For any breach of Articles 2, 3, 4, 5 and/or 6 the non-breaching Party has the right to claim liquidated damages from the breaching Party in the amount of CNY 2,000,000 for each such breach, subject to the right of the non-breaching Party to claim further damages if and as so incurred. For breaches continuing over a period of time, each week of such continuous breach shall be regarded as one breach incurring the amount of liquidated damages.**

对于违反第 2、3、4、5 和/或第 6 条的情况，非违约方有权就每次违约要求违约方支付违约金人民币 2,000,000 元，但不影响非违约方要求进一步赔偿（如有）的权利。对于持续一段时间的违约行为，持续违约的每个星期应被视为一次违约并产生违约金。

## **Article 14    Dispute Resolution**

### **第 14 条 – 争议解决**

14.1 The Parties hereto will try to resolve any dispute, controversy or claim arising out of or in connection with this Agreement through friendly consultations between the Parties. But, if no settlement is reached within twenty (20) days from the date one Party notifies the other Party in writing of its intention to submit the dispute, controversy or claim to litigation in accordance with this paragraph, then any such dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof, shall be submitted to the People's Court in Xiamen.

双方将通过友好协商方式解决因本协议引起的或与本协议有关的任何争端、争议或索赔。但是，如果在一方书面通知另一方其意欲根据本条款规定将争端、争议或索赔提交诉讼之日起二十（20）天内双方仍无法达成协议，则由本协议产生或与本协议相关的争端、争议或索赔，或本协议之违约、终止、无效，应提交给位于厦门的人民法院。

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## **Article 15    Applicable Law**

### **第 15 条 – 适用法律**

This Agreement shall be governed by and construed in accordance with the laws of the PRC without reference to the substantive law of any other country.

本协议应受中华人民共和国法律管辖并据其解释且不参考任何其他国家的实体法。

## **Article 16    Miscellaneous**

### **第 16 条 – 其他条款**

16.1 This Agreement cannot be modified except by written instrument signed by both Parties. This requirement of written form can only be waived in writing. If this Agreement requires a notice or document to be "in writing" or "in written form", such notice or document shall be duly signed by the sender by such person or persons duly authorized to legally bind the Party, and the signed notice or document shall be delivered, sent or transmitted to the other Party in its original form. For the avoidance of doubt electronic communication shall not qualify as a written notice or document.

除非双方签署书面文件，否则不得修改本协议。这种书面形式的要求只能以书面形式放弃。如果本协议要求通知或文件应以“书面”或“书面形式”，则该通知或文件应由寄送方合法授权之人正式签署后对该方有法律约束力，且应将已签署的通知或文件原件递送、发送或传送至另一方。为避免疑义，电子通讯方式不得作为书面通知或文件。

- 16.2 Except otherwise provided in this Agreement, communications between Licensor and Licensee shall be given in writing, by registered post and by email, in Chinese and English language to the following addresses of the Parties or to such other addresses as the Party concerned may subsequently notify in writing to the other Party:

除非本协议中另有规定，许可方与被许可方的通信应以书面形式进行，用中文和英文通过挂号信和电子邮件发送至双方的如下地址或相关一方随后可能以书面形式通知另一方的其它地址：

If to Licensor to/发送至许可方:

Xiamen San'an Integrated Circuit Co., Ltd./厦门三安集成电路有限公司

Attn/收件人: Jasson Chen/陈文欣

Address/地址: No.753-799, Min'An Avenue, Hong Tang County, Tong'an District, Xiamen, Fujian 361100, China/厦门市同安区洪塘镇民安大道 753-799 号

Tel/电话: +86-592-6300505

Email/电子邮箱: jasson\_chen@sanan-ic.com

If to Licensee to/发送至被许可方:

Super Photonics Xiamen Co., Ltd./厦门超光集成有限公司

Attn/收件人:

Address/地址:

Tel/电话:

Fax/传真:

- 16.3 Neither the rights nor the obligations from this Agreement may be assigned or transferred in any manner, except with the prior written consent of the other Party and except as part of a transfer on the side of Licensor of all or of a substantial part of the activities to which the subject matter of this Agreement pertains whether by sale, merger or consolidation provided, however, that Licensor may assign any and all of its rights and obligations without the prior written consent of the Licensee to a Licensor Affiliate. In case of such a transfer the respective Party shall take care that the transferee, assignee or successor will comply with this Agreement.

本协议下的权利和义务不得以任何方式转让或让渡，除非事先获得另一方的书面同意，并且除了作为许可方将本协议标的有关活动的全部或重大部分通过销售、兼并或合并等方式转让的一部分，但前提是许可方可以不经被许可方事先书面同意将其任何和全部权利和义务转让给许可方的关联方。在该等转让中，相关方应注意使受让方、承让方或承继方遵守本协议。

- 16.4 If any of the provisions of this Agreement shall be adjudged to be invalid, illegal or unenforceable, unless the basic intentions of the Parties under this Agreement are substantially jeopardized, the validity, legality, and enforceability of the remaining provisions of this Agreement shall in no way be affected or impaired thereby and shall be enforced to the maximum extent permitted by applicable law. In such a case the Parties shall come to an agreement approximating as closely as possible the arrangement originally envisaged in this Agreement. The same applies to the closing of gaps in the Agreement.

若本协议中任何条款应被判定无效、不合法或无法执行，除非双方在本协议中的基本意图受到实质性危害，否则本协议其余条款之有效性、合法性与可执行性应不以任何方式受到影响或损害，并应在适用法律允许的最大程度内得以执行。在这种情况下，双方应在尽可能忠于本协议原先设想的安排达成新协议。此条亦适用于消除本协议存在的缺漏之处的情况。

- 16.5 This Agreement constitutes the entire understanding and agreement between the Parties with respect to the subject matter and shall supersede and cancel all previous agreements, negotiations and commitments, either oral or written, relating hereto.

本协议构成双方就标的所达成的全部理解与协议，并应替代、取消先前所有相关口头或书面协议、磋商及承诺。

- 16.6 No explicit or implied waiver by any of the Parties to this Agreement of any breach of any term, condition or obligation of this Agreement shall be construed as a waiver of any subsequent or continuing breach of that term, condition or obligation or of any other term, condition or obligation of this Agreement of the same or of a different nature. Any waiver, consent, or approval of any kind regarding any breach, violation, default, provision or condition of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing.

任一方明示或默示不追究对本协议任何条款、条件或义务的违约行为不应被解释为不追究对该条款、条件或义务或本协议中任何相同或不同性质的其他条款、条件或义务的任何后续或持续违约行为。对于对本协议的违约、违反、不履约、条款或条件的任何形式的不追究、同意或批准必须以书面形式进行，且仅在书面规定的具体范围内有效。

- 16.7 Each Party agrees, upon reasonable request by the other Party to consent to the registration of this Agreement to the extent required by applicable law and without expense to this Party. Each Party waives any and all claims or defenses arising by virtue of the absence of such registration that might otherwise limit or affect its obligations to the other Party.

每一方同意，应另一方合理请求，在适用法律规定的范围内及不承担相关费用的前提下同意对本协议进行登记。每一方放弃因未进行上述登记而可能导致另一方所承担的义务受到其他限制或影响的任何及所有权利主张或辩护。

- 16.8 This Agreement is written in both English and Chinese. In case of any conflicts or discrepancies between the two language versions, the Parties will conduct good faith negotiations to establish a prevailing version taking into account the intentions the Parties had when entering into this Agreement. If the Parties fail to reach agreement, the English version shall prevail.

本协议以英文和中文写就。若两种语言文本有任何冲突或不一致之处，则双方将进行诚挚协商，根据双方在签署本协议时的意图来确定以哪一个文本为准。如果双方不能协商一致，应以英文文本为准。

- 16.9 This Agreement may be executed and delivered in any number of counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement and shall be enforceable as such.

本协议可签署和交付多份对签文本，每份该等对签文本一经签署即应视为原件，而所有该等对签文本应共同构成同一份协议，并按同一份协议予以执行。

Place/地点:

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Name/姓名:

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(Print 正楷)

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Name/姓名:

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(Print 正楷)

Title/职务:

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Title/职务:

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**Annex 1**  
**to the Trademark and Name License Agreement**

**Trademarks**

商标和名称许可协议

附件 1

商标

**SCHEDULE G**

**附件 G**

**SAIC Supply Agreement**

**SAIC 供货协议**

**THIS SUPPLY AGREEMENT** (the “Agreement”), dated \_\_\_\_\_ 2020 (the “**Effective Date**”) by and between **Xiamen San'an Integrated Circuit Co., Ltd.** (hereinafter “**SAIC**”), a limited liability company incorporated pursuant to the laws of PRC, having offices at with its registered address of 304-26, South Building, Huoju Road, Huoju Yuan, Huoju High-tech District, Xiamen and **Super Photonics Xiamen Co., Ltd.** (hereinafter the “**JV**”), a corporation incorporated pursuant to the laws of the People's Republic of China, having offices at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, China.

**RECITALS**

**WHEREAS**, SAIC is engaged in the business of manufacturing and selling certain SAIC Products (as defined below), as further described in this Agreement; and,

**WHEREAS**, JV is established as a joint venture company between SAIC and POET Technologies Inc. (hereinafter referred to as “**POET**”), a corporation incorporated pursuant to the laws of PRC, having offices at 6th Floor, No. 799 Min'an Avenue Hong Tang Town, Tong'an District, Xiamen, Fujian 361100, China, by operation of the Joint Venture Contract as defined below, to conduct application design, assembly, test, integration, marketing and sale of 100G/200G/400G optical engines based on the POET Optical Interposer™ for data communications and telecommunications applications in China.

**WHEREAS**, the shareholders of Licensee have agreed in the Joint Venture Contract (as defined below) that the JV shall receive from SAIC certain SAIC Products for the assembly of Optical Engines based on the POET Optical Interposer, and JV desires to purchase such SAIC Products for use in its Optical Engine Products (as defined below) on the terms set forth in this Agreement; and

**WHEREAS**, SAIC agrees to supply such SAIC Products on the terms set forth herein.

NOW THEREFORE, the Parties agree as follows:

**1. Definitions**



- 1.1 **“Confidential Information”** means any information and data, including without limitation, any kind of business, commercial or technical information and data disclosed between the Parties in connection with the implementation of this Agreement, irrespective of the medium in which such information or data is embedded, which is not public. Confidential Information shall include any copies or abstracts made thereof as well as any apparatus, modules, samples, prototypes or parts thereof.
- 1.2 **“Intellectual Property Rights”** means all intellectual and industrial property and proprietary rights, throughout the world, including (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and re-examinations thereof; (b) all trademarks, service marks, trade dress, logos, trade names, Internet domain names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith; (c) all copyrightable works, all copyrights, all works of authorship and moral rights, all computer software (including data, source code, and related documentation), databases and compilations; (d) all trade secrets, know-how and confidential Business information (including ideas, research and development, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and Business and marketing plans and proposals); (e) all copies and tangible embodiments thereof (in whatever form or medium) and all applications, registrations, and renewals in connection with any of the foregoing; and (f) derivative works made or developed in connection with the foregoing.
- 1.3 **“Joint Venture Contract”** means the joint venture contract between POET and SAIC for the establishment of the JV.
- 1.4 **“Optical Engine Products”** means a device which includes an Optical Interposer incorporating selected available passive features and/or devices combined with selected active devices, such as lasers, modulators, photodetectors, etc., with features enabling the connection to other electronic devices and to optical fibers, fully built, packaged and tested to meet the required written specifications for each device and certified as operational when shipped.
- 1.5 **“Order”** means a written purchase order issued by JV to SAIC for any of the SAIC Products.
- 1.6 **“SAIC Products”** shall mean the Lasers, PDs and MPDs that are listed in Exhibit A attached hereto (as may be revised by mutual written agreement of the parties from time to time).
- 1.7 **“Specifications”** shall mean the specifications applicable to the SAIC Products as set forth in Exhibit A.

## **2. Forecasts And Orders**

- 2.1 **Forecasts.** On a monthly basis, JV will provide SAIC with a nonbinding twelve (12) month rolling forecast of its estimated requirements for each SAIC Product (**“Forecasts”**). Forecasts shall constitute good faith estimates of JV’s anticipated requirements for SAIC Products for the applicable time period.

- 2.2 **Orders.** JV will issue Orders for the SAIC Products from time to time. Unless the parties otherwise agree in writing, the lead time for the SAIC Products will be mutually agreed prior to the placement of the first order and shall be the standard lead time for all subsequent orders (“Lead Time”). Each Order shall include at least the following: (a) the JV’s Order number; (b) identification of the SAIC Products ordered by JV and the corresponding SAIC part number; (c) the requested delivery date; and (d) any shipping instructions, including preferred carrier and shipping destination.
- 2.3 **Order Acceptance.** SAIC will notify JV of acceptance of an Order within three (3) business days of receipt thereof or indicate a reason in writing for rejection of an Order. All Order acknowledgements accepting an Order will set forth the delivery dates, not to exceed the Lead Time. The confirmation of any Order by SAIC to JV means that the terms of the Order have been agreed and SAIC accepts the Order and the terms of such Order, though only to the extent consistent with the terms of this Agreement. Any terms or conditions of any Order form or any acknowledgement form that are in addition to or inconsistent with the terms of this Agreement will be deemed stricken from such Order or acknowledgement, and are hereby rejected.
- 2.4 **Rescheduling and Cancellation.** No cancellations or reschedules may be made by JV within thirty (30) days prior to the scheduled shipment time of the SAIC Products without SAIC’s prior written consent. The parties shall agree on fees that may be charged by SAIC in the event that JV cancels or reschedules shipments more than thirty (30) days before the originally scheduled shipment date, based on the number of days after receipt by SAIC of a written change order for cancellation or reschedule against orders for which the SAIC Products were originally scheduled to be shipped. Cancellations shall be subject to a cancellation charge based on a percentage of the charges for the complete cancelled shipment. Cancellation charges shall be computed based on the originally scheduled delivery date.
- 2.5 **Acceleration.** JV may request the shipment of SAIC Products in excess of the ordered quantity, or the accelerated delivery of SAIC Products scheduled for later delivery, and SAIC shall use commercially reasonable efforts to accommodate such request to ship such excess or accelerated SAIC Products.
- 2.6 **SAIC Product Change Notification.** SAIC agrees to notify JV of all proposed SAIC Product changes, which shall include all material changes to manufacturing processes, as well as mechanical and/or electrical design changes. SAIC will also provide advance written notice of engineering changes that materially affect the SAIC Product’s form, fit or function. All such notices must be provided in writing at least ninety (90) days in advance of their proposed to allow JV an opportunity to evaluate such changes. If JV, in its sole discretion, determines that the SAIC Product, as changed pursuant to SAIC’s notice, will not meet its intended requirements or would not meet the Specifications, JV shall have the right to terminate the Agreement for cause and to cancel any outstanding orders for such SAIC Product without liability whatsoever, including any cancellation charges otherwise due hereunder.
- 2.7 **SAIC Product Withdrawal.** SAIC shall provide JV with at least twelve (12) months prior written notice for all SAIC Products prior to the scheduled last date of manufacture of a SAIC Product. SAIC shall ship SAIC Product for Orders that SAIC has accepted before the last date of manufacture. SAIC shall also allow JV to make a final last time buy prior to the scheduled last day of scheduled manufacture for delivery no more than six (6)

months following the date of the Order, it being understood that the Lead Time will not apply for such final buy.

### **3. Delivery**

3.1 **Risk of Loss and Title.** Delivery of all SAIC Products shall be made *DDP* (INCOTERMS 2020) shipping destination. Risk of loss for the SAIC Products shall pass to JV at the delivery point. SAIC shall be responsible for paying all freight; handling, shipping and insurance charges to the delivery point. Title to the SAIC Products will pass to JV at the JV shipping destination, provided that at no time will title to any software incorporated in the SAIC Product pass to JV; software is licensed, not sold, to JV.

3.2 **Delivery.** SAIC shall deliver the SAIC Products to JV in accordance with the shipping instructions in the Order with regard to the requested delivery date, ship-to address, carrier and means of transportation or routing. JV may return any unauthorized under-shipment or any over-shipment or any portions thereof, at SAIC's expense and without charge to JV. If JV fails to provide shipping instructions, SAIC will make the selection of carrier on a commercially reasonable basis. In no event shall JV have any liability in connection with shipment, nor shall the carrier be deemed to be an agent of JV. JV shall not be liable for damage or penalty for delay in delivery due to the actions of the common carrier. SAIC shall inform JV immediately if a delivery cannot be made within five (5) days of the scheduled delivery date, in which case SAIC shall ship the SAIC Products by airfreight or other expedited routing, at SAIC's expense.

### **4. Price; Payment**

4.1 **Prices.** The prices for the SAIC Products shall be set forth in Exhibit C attached hereto.

4.2 **Preferred Provider.** JV shall purchase 100% of JV's requirements for Optical Interposers from SAIC pursuant to this Agreement. In the event that SAIC is unable to provide Optical Interposers to the Company, JV may decide to source Optical Interposers from a third-party supplier in accordance with the respective provisions in the Joint Venture Contract.

4.3 **Payment.** All payments shall be in United States Dollars and will be due and payable sixty (60) days following receipt of invoice.

4.4 **Taxes.** JV shall be responsible for and shall pay any applicable, separately itemized sales, use, excise or similar taxes, including value added taxes and customs duties due on the importation of SAIC Products and arising from purchases made by JV under this Agreement, excluding any taxes based on SAIC's income.

### **5. limited Warranties**

5.1 **Limited Warranty.** SAIC represents and warrants that the SAIC Products shall comply with the Specifications for a period of twelve (12) months from JV's receipt thereof. In the event that any such SAIC Products fail to comply with the foregoing warranty, SAIC shall, at its option, either repair or replace such SAIC Products, or, in the event the foregoing options are not commercially practicable, refund to JV any amounts paid for the applicable SAIC Products.

5.2 **Disclaimer of Warranties.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SAIC MAKES NO WARRANTIES OR REPRESENTATIONS TO JV AND SAIC HEREBY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

## 6. Intellectual Property Rights

6.1 **SAIC Ownership.** The SAIC Products and all Intellectual Property Rights in or related to the SAIC Products, owned by or licensed to SAIC prior to the date of this Agreement (collectively, the “SAIC IP”) shall remain the sole and exclusive property of SAIC.

6.2 **License.** The Parties may agree on certain licenses of Intellectual Property Rights by SAIC to JV or vice versa in accordance with separate license agreements and the Joint Venture Contract.

## 7. Terms and Termination

7.1 **Term.** Unless earlier terminated pursuant to the terms and conditions of this Agreement, this Agreement shall commence on the Effective Date and shall remain in force for a period equal to the term of the Joint Venture Contract.

7.2 **Termination for Cause.** Either party shall have the right to terminate this Agreement (i) for default by the other in performance of any material obligation under this Agreement where such default continues for a period of thirty (30) days after written notice thereof to the defaulting party specifying such default, or (ii) if the Joint Venture Contract expires or is terminated or if such Party has a termination right under the Joint Venture Contract.

7.3 **Obligations Upon Termination.** Upon termination or expiration of this Agreement, except as otherwise expressly stated in this Section 8, all obligations of each party to the other shall terminate.

7.4 **Survival.** Sections 5, 6, 7.3, 7.4, 7.5, 8, 9 and 10 shall survive any termination or expiration of this Agreement.

### 7.5 Effect of Termination.

(a) Upon any termination of this Agreement, each party shall promptly return to the other all Confidential Information received from the other party except one copy of which may be retained for archival purposes and to ensure compliance with the provisions of Section 11.

(b) For period of at least sixty (60) days following the termination / expiration date, the JV shall be entitled to place a last time buy order for SAIC products in accordance with Article 2.

## 8. Limited Liability

8.1 **LIMITATION OF LIABILITY.** EXCEPT FOR BREACHES OF CONFIDENTIALITY OBLIGATIONS, AND EXCEPT FOR AMOUNTS PAYABLE TO FULFILL INDEMNITY OBLIGATIONS, (A) IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER, OR TO ANY PARTY CLAIMING THROUGH OR UNDER THE OTHER,

FOR ANY LOST PROFITS, ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT AND HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND (B) IN NO EVENT SHALL EITHER PARTY'S CUMULATIVE LIABILITY ARISING OUT OF THIS AGREEMENT EXCEED THE AMOUNTS ACTUALLY PAID OR PAYABLE BY JV TO SAIC HEREUNDER PURSUANT TO THIS AGREEMENT DURING THE TWELVE (12) MONTHS PRIOR TO THE OCCURRENCE OF THE EVENT OR OTHER BASIS FOR ANY SUCH CLAIM. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY. THE PARTIES ACKNOWLEDGE AND AGREE THAT THIS SECTION 10 IS AN ESSENTIAL ELEMENT OF THE BARGAIN AND ABSENT THIS SECTION 10 THE ECONOMIC AND OTHER TERMS OF THIS AGREEMENT WOULD BE SUBSTANTIALLY DIFFERENT.

## **9. Confidential Information**

- 9.1 **Restrictions on Use and Disclosure.** Neither party shall use Confidential Information of the other party disclosed to it hereunder for any purpose other than in furtherance of this Agreement and the activities described herein. The recipient shall not disclose, transfer, or disseminate Confidential Information of the disclosing party to any third parties except as otherwise permitted hereunder. The recipient may disclose Confidential Information of the disclosing party only to the recipient's employees or contractors who have a need to know such Confidential Information and who are bound to retain the confidentiality thereof under provisions no less restrictive than those required by this Agreement. The recipient shall maintain Confidential Information of the disclosing party with at least the same degree of care it uses to protect its own proprietary information of a similar nature or sensitivity, but in any event, not less than reasonable care. Any copies of the disclosing party's Confidential Information shall be identified as belonging to the disclosing party at the time of disclosure. Each party shall advise the other party in writing of any misappropriation or misuse of Confidential Information of the other party of which the notifying party becomes aware. No rights or licenses to trademarks, inventions, copyrights or patents are implied or granted under this Agreement except to the extent necessary for the purpose of disclosure. Recipient shall not reproduce or replicate Confidential Information in any form except as required for the purpose of disclosure. All Confidential Information (including all copies thereof) shall at all times remain the property of the disclosing party and shall, at the disclosing party's request upon termination of this Agreement, either be returned to the disclosing party or destroyed after the recipient's need for it has expired (whether Confidential Information is to be returned or destroyed shall be at the option of the recipient).
- 9.2 **Legal Obligation to Disclose.** This Agreement will not prevent the recipient from disclosing Confidential Information of the disclosing party to the extent required by a judicial order or other legal obligation, provided that, in such event, the recipient shall promptly notify the disclosing party prior to disclosure to allow intervention, notify the requesting entity of the confidentiality of the materials, and cooperate with the disclosing party to contest or minimize the scope of the disclosure (including application for a protective order).

9.3 **Information of Third Parties.** Neither party shall communicate or otherwise disclose to the other, during the term of this Agreement, confidential or proprietary information of third parties.

9.4 **Return of Confidential Information.** Upon request of the disclosing party, copies and embodiments of the disclosing party's Confidential Information shall be promptly returned to the disclosing party by the receiving party, unless such copies are required to support existing customers under the terms of this Agreement. Upon termination of this Agreement, for any reason, each party shall promptly return to the other party all Confidential Information provided by the other party, including all copies thereof, unless such copies are required to support existing customers under the terms of this Agreement.

## 10. Miscellaneous

10.1 **Governing Law.** This Agreement and any dispute arising from the construction, performance or breach hereof shall be governed by and construed and enforced in accordance with the laws of People's Republic of China, without reference to its conflict of law principles.

### 10.2 **Dispute Resolution.**

- (a) The Parties hereto will try to resolve any dispute, controversy or claim arising out of or in connection with this Agreement through friendly consultations between the Parties. But, if no settlement is reached within twenty (20) days from the date one Party notifies the other Party in writing of its intention to submit the dispute, controversy or claim to arbitration in accordance with this paragraph, then any such dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity hereof, shall be finally and exclusively settled by arbitration conducted by the Singapore International Arbitration Center ("SIAC") in accordance with the Singapore International Arbitration Centre Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with these Rules.
- (b) The place of arbitration will be in Singapore at the SIAC. The arbitration proceedings will be conducted in English with Chinese translation.
- (c) The arbitration tribunal will consist of three arbitrators. The Licensor shall appoint one arbitrator and the Licensee shall appoint one arbitrator. The presiding arbitrator will be nominated by the arbitrators selected by the Parties or, failing which within ten days from SIAC's confirmation of the second arbitrator, be appointed by the SIAC Council.
- (d) The arbitration award is final and binding on the Parties, and the Parties agree to be bound thereby and to act accordingly. The costs of arbitration and the costs of enforcing the arbitration award (including witness expenses and attorneys' reasonable fees) will be borne by the Party who shall perform obligations or bear the liability of breach under the arbitration award, unless otherwise determined by the arbitration award.
- (e) In any proceedings under or relating to the arbitration, each Party will cooperate with the other Party in making full disclosure of and providing complete access to

all information and documents reasonably requested by the other Party in connection with such arbitration proceeding.

- (f) Any arbitration award may be enforced by any court having jurisdiction over the Party against which the award has been rendered, or wherever assets of that Party are located.
  - (g) By agreeing to the settlement of any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity hereof by arbitration, each Party irrevocably waives its right to any form of appeal, review or recourse to any court or other judicial authority, insofar as such waiver may be validly made.
- 10.3 **Assignment.** Neither party may assign this Agreement or its rights or obligations hereunder, in whole or in part, without the prior written consent of the other party, which consent shall not be unreasonably conditioned, delayed or withheld; provided, however, that JV may assign this Agreement without such consent to an affiliate or to a successor in interest, to its business (whether by merger, acquisition, consolidation, change of control, reorganization or sale of substantially all of its assets). Any purported assignment without such consent shall be void and of no effect. Subject to the foregoing sentence, this Agreement will be binding on and inure to the benefit of the parties and their respective successors and permitted assigns.
- 10.4 **No Implied Licenses.** Only the licenses granted pursuant to the express terms of this Agreement shall be of any legal force or effect. No other license rights shall be created by implication, estoppel or otherwise.
- 10.5 **Waiver.** It is agreed that no waiver by either party hereto of any breach or default of any of the covenants or agreements herein set forth shall be deemed a waiver as to any subsequent and/or similar breach or default.
- 10.6 **Severability.** In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect to the fullest extent permitted by law without said provision, and the parties shall amend the Agreement to the extent feasible to lawfully include the substance of the excluded term to as fully as possible realize the intent of the parties and their commercial bargain.
- 10.7 **Independent Contractors.** The relationship of the parties hereto is that of independent contractors. The parties hereto are not deemed to be agents, partners or joint ventures of the others for any purpose as a result of this Agreement or the transactions contemplated thereby.
- 10.8 **Compliance with Laws.** In exercising their rights under the license granted hereunder, each party shall fully comply in all material respects with the requirements of any and all applicable laws, regulations, rules and orders of any governmental body having jurisdiction over the exercise of rights under this license including those applicable to the distribution, import and export and sale of SAIC Products pursuant to this Agreement.
- 10.9 **Notices.** All notices, requests and other communications hereunder shall be in writing and shall be hand delivered, or sent by express delivery service with confirmation of

receipt, or sent by registered or certified mail, return receipt requested, postage prepaid, or by confirmed email transmission, in each case to the respective address or facsimile number indicated below.

**JV:**

Super Photonics Xiamen Co., Ltd.  
Attn: [...]

**SAIC:**

Xiamen San'an Integrated Circuit Co., Ltd.

Attn: Jasson Chen (陈文欣)

Address: No.753-799, Min'An Avenue, Hong  
Tang County, Tong'an District, Xiamen,  
Fujian 361100, China

Tel: +86-592-6300505

Email: jasson\_chen@sanan-ic.com

Any such notice shall be deemed to have been given when received. Either party may change its address or facsimile number by giving the other party written notice, delivered in accordance with this Section.

- 10.10 **Force Majeure.** Neither party shall lose any rights hereunder or be liable to the other party for damages or losses on account of failure of performance by the defaulting party if the failure is occasioned by war, strike, fire, Act of God, earthquake, flood, pandemic, lockout, embargo, act of terrorism, governmental acts or orders or restrictions (excluding actions by SAIC), failure of suppliers, or any other reason where failure to perform is beyond the reasonable control and not caused by the negligence, intentional conduct or misconduct of the non-performing party and such party has exerted all reasonable efforts to avoid or remedy such force majeure; provided, however, that in no event shall a party be required to settle any labor dispute or disturbance.
- 10.11 **Headings; Construction.** The headings to the clauses, sub-clause and parts of this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. Any ambiguity in this Agreement shall be interpreted equitably without regard to which party drafted the Agreement or any provision thereof. The terms "this Agreement," "hereof," "hereunder" and any similar expressions refer to this Agreement and not to any particular Section or other portion hereof. The official text of this Agreement shall be in the English language, and any interpretation or construction of this Agreement shall be based solely on the English-language text. As used in this Agreement, the words "include" and "including," and variations thereof, will be deemed to be followed by the words "without limitation."
- 10.12 **Counterparts; Electronic Signatures.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same agreement. Electronically executed or electronically transmitted signatures shall have the full force and effect of original signatures.



10.13 **Complete Agreement.** This Agreement with its Exhibits, constitutes the entire agreement, both written and oral, between the parties with respect to the subject matter hereof, and all prior agreements respecting the subject matter hereof, either written or oral, express or implied, shall be abrogated, canceled, and are null and void and of no effect. No amendment or change hereof or addition hereto shall be effective or binding on either of the parties hereto unless reduced to writing and executed by the respective duly authorized representatives of SAIC and JV.

IN WITNESS WHEREOF the parties have hereunto entered into this Agreement as at the date first above written.

SAIC

JV

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit A**  
**SAIC Products**

**Exhibit B**  
**Support**

**Exhibit C**

**Prices**

**SCHEDULE H**

**附件 H**

**JV Target Customer List**

**合资公司目标客户名单**

	POTENTIALLY ADVANTAGEOUS TO COMPETITORS	POTENTIALLY ADVANTAGEOUS TO COMPETITORS POTENTIALLY ADVANTAGEOUS TO COMPETITORS
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	POTENTIALLY ADVAN POTENTIALLY ADVAN	POTENTIALLY POTENTIALLY
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	POTENTIALLY POTENTIALLY	
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	POTENTIALLY ADVANT POTENTIALLY ADVANT	

	收发器客户目标	最终客户目标
合资公 司	POTENTIALLY POTENTIALLY	POTENTIAL POTENTIAL
	POTENTIAL POTENTIAL	POTENTIAL POTENTIAL
	POTENTIAL POTENTIAL	POTENTIALLY A POTENTIALLY A

	POTENTIALLY ADVAN POTENTIALLY ADVAN	POTENTIAL POTENTIAL
	POTENTIAL POTENTIAL	POTENTIALLY ADVAN POTENTIALLY ADVAN
	POTENTIAL POTENTIAL	POTENTIAL POTENTIAL
	POTENTIAL POTENTIAL	POTENTIAL POTENTIAL
	POTENTIALLY AD POTENTIALLY AD	POTENTIAL POTENTIAL
	POTENTIALLY ADVAN POTENTIALLY ADVAN	POTENTIALLY AD POTENTIALLY AD
	POTENTIAL POTENTIAL	
	POTENTIALLY ADVAN POTENTIALLY ADVAN	
	POTENTIAL POTENTIAL	
	POTENTIALLY AD POTENTIALLY AD	



















**SCHEDULE K**

**附件 K**

**Terms of SAIC Equipment Lease Agreement**

**SAIC 设备租赁协议条款**

Equipment Lease Agreement—Key Terms

Parties	SAIC—Lessor; JV--Lessee
Equipment	[ <i>Description of Equipment</i> ]  The Equipment includes all parts, fittings, attachments, instruments tools and linings, supplied by the seller to Lessor. [Appendix A: List of Equipment and price for each set]
Lease Term	[ 10 years ], starting from the date the first set Equipment is delivered to Lessee’s site.
Rent	<b>POTENTIALLY ADVANTAGEOUS TO COMPETITORS</b> for all sets Equipment , payable 15 working days in advance.  Late payment interest: 15% per annum but not to exceed the maximum amount permitted by law.
Conditions of Equipment	Same as the conditions the seller supplies to Lessor.
Delivery	Lessor instructs the Equipment to be delivered by the seller to Lessee’s site.
Lessor’s Disclaimers of Warranty	LESSOR IS NOT THE MANUFACTURER OF THE EQUIPMENTS. LESSOR HAS NOT MADE AND DOES NOT MAKE ANY REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENTS, THEIR DESIGN, CONDITION, OPERATION, DURABILITY, SUITABILITY OR FITNESS FOR USE FOR ANY PURPOSE OR MERCHANTABILITY, WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE OR BY ANY DESCRIPTION OF ANY ITEM OR BY ANY SAMPLE OR MODEL AND ANY OTHER WARRANTIES WHATSOEVER CONTAINED IN OR CREATED BY THE UNIFORM COMMERCIAL CODE AS ADOPTED IN ANY STATE OR BY ANY OTHER APPLICABLE LAW. LESSEE HEREBY WAIVES ANY CLAIM IT MIGHT HAVE AGAINST

	<p>LESSOR FOR ANY LOSS, DAMAGE OR EXPENSE CAUSED BY ANY ITEM OR BY ANY DEFECT THEREIN, USE OR MAINTENANCE THEREOF OR SERVICING OR ADJUSTMENT THERETO AND, AS TO LESSOR, LEASES THE ITEMS AS-IS. lessee IS FULLY FAMILIAR WITH EQUIPMENT OF THIS KIND AND will, IF IT CHOOSES TO DO SO, inspect the equipment prior to taking possession of them. LESSEE ACCEPTS EACH EQUIPMENT OF WHICH IT TAKES POSSESSION "AS IS". no defect in or unfitness of any equipment and no loss or damage thereto and no other condition or circumstance whatsoever, including, without limitation, the unavailability thereof for any reason whatsoever after lessee takes possession, shall relieve lessee of its obligation hereunder, or result in the abatement or suspension of any such obligations, which are absolute and unconditional. to the maximum extent permitted by law, lessor shall incur no liability whatsoever including any kind of damages, material or immaterial, to lessee arising out of or in connection with any defect in or condition of any equipment or the use, operation or functioning of any equipment.</p>
<p>Inspection /Installation/Test</p>	<p>Upon delivery to Lessee's site, Lessor and Lessee should jointly conduct the inspection. Lessor authorizes the Lessee to directly contact with the seller if there is any issue discovered during the inspection. Any solution of solving the issues should be approved by Lessor.</p> <p>Lessee should be responsible for installation/testing of the Equipment and any cost associate with the installation/testing. Lessee is responsible to provide installation site suitable for the Equipment.</p>
<p>Proper Use</p>	<p>Lessee shall use and operate each Equipment only</p> <p>(a) in accordance with the design parameters of such Equipment;</p> <p>(b) for the normal and reasonable expected purposes and uses of such Equipment (but in no event in a manner inconsistent with any specifications or restrictions)</p> <p>(c) in those areas specified for that Equipment and in such other areas to which the Lessor consents in writing;</p> <p>(d) for commercial or business purposes;</p> <p>(e) in careful, safe and proper manner and in compliance with all applicable laws, rules, regulations, ordinances, treaties, conventions and insurance requirements and any specifications or restrictions.</p>
<p>Repair, Maintenance; Alternation</p>	<p>Lessee will, at its expense, keep each Equipment in good repair, condition and working order compliant with the latest repair manual issued by Lessor from time to time and furnish, at its expense, all labour, parts, materials and supplies required</p>



	<p>therefore. Lessee will, at its expense, comply with all requirements of the Lessor in the care, use, maintenance and operation of each Equipment. Lessee will maintain accurate and complete records of all repairs to and maintenance of the Equipment and will at first request by Lessor furnish copies thereof to Lessor and will allow Lessor, with prior notice, to inspect and/or copy such records at any time during normal business hours.</p> <p>No alternation to any Equipment is allowed unless with prior written consent from Lessor.</p>
Loss; Damage; Seizure	<p>Lessee assumes and shall bear the risk of loss and damage to the Equipment from any cause whatsoever, regardless of whether the risk is insured. If one piece of Equipment is damaged or partially lost or destroyed, Lessee shall, at its expense, promptly repair the Equipment in a permanent manner and ensure the good condition and working order of the Equipment, using only parts and materials that have an equal or better quality than the parts and materials that are repaired or replaced. If one piece of Equipment is or becomes destroyed or totally lost (including by theft or by disappearance), is seized by legal process of Lessee's creditors or becomes the subject of a capture or any legal lien or retention right for more than ninety (90) days, or is a constructive, agreed or compromised total loss, then in any such cases Lessee shall:</p> <p>(a) pay the Lessor replacement value for which that Equipment is required to be insured and</p> <p>(b) continue to pay the rent for such Equipment until Lessor receives payment of the replacement value</p>
Insurance	<p>Lessee agrees that:</p> <p><b>ARTICLE 15(a)</b> <i>Until all obligations of Lessee under the Lease Agreement have been paid and performed in full, Lessee will, at its expense, maintain insurance against all risks of damage to and loss (including theft) or destruction of (including acts of terrorism and war risks) each Equipment for an amount not less than the amount specified for that Equipment in the purchase contract signed by the Lessor and seller or the fair market value of the Equipment whichever is the greater (such greater amount "Replacement Value") but, in any event, the Replacement Value shall not exceed the amount specified in the purchase contract. The amount and terms of the insurance will be such that no insured under the policy will be a co-insurer of any of the risks covered by the policy. The coverage may have only such exceptions as Lessor approves in writing. Lessor will be a named insured without liability for premiums and will be the sole loss payee under the insurances. All other terms of the insurance must be approved in writing by the Lessor.</i></p>

	<i>(b) Until all obligations of Lessee under the Lease agreement have been paid and performed in full, Lessee will obtain and maintain, at its expense, liability insurance covering each Equipment and insuring against the risks of injury to and death of individuals and damage to and destruction of property these all including pollution risks, on terms approved by Lessor in writing.</i>
Liens; Taxes; Other Charges	Lessee shall keep the Equipment free and clear of levies, liens and encumbrances and shall pay all fees and taxes, and all taxes of whatever nature which may now or hereafter be imposed on or with respect to the leasing, rental, possession, use or operation of the Equipment, whether assessed to Lessor or Lessee.
Lessees' Indemnity	<p>Except in the event of and in so far as directly caused by willful misconduct or gross negligence of Lessor, Lessee indemnifies Lessor, its affiliates, and representatives (including officers, directors, managers and employees) against any liability and Lessee will hold each of them harmless from and pay any loss, damage, cost, expense, penalty or claim (including, without limitation, legal fees and disbursements, court costs and the cost of appellate proceedings), regardless of whether the same is also indemnified against by any other person or entity, which in any way arises out of or in connection with (a) this Lease Agreement, or (b) the delivery, possession, use, operation or return of any Equipment, or (c) any condition of or other matter relating to any Equipment during the term hereof. Regardless of how the condition arose and regardless of whether it arose out of any act, omission or negligence of lessor, or (d) any other matter relating to any Equipment after the term hereof with respect to that Equipment to the extent such matter arises from a condition that arose or a modification, addition or change that was made during the term hereof with respect to that Equipment or at any other time when the Equipment was in the possession or under the control of Lessee, or (e) the failure by Lessee to perform any of its obligations under or any other breach by Lessee of this Lease Agreement, or (f) any action Lessor takes upon in connection with the exercise of remedies or powers hereunder, including, but not limited to, the action of Lessor to retake the Equipment in its possession</p> <p>Lessee will pay any expenses and costs (including, without limitation, legal fees and disbursements, costs of court and the cost of appellate proceedings) which Lessor incurs in enforcing or defending (a) any of its rights or remedies under this Lease Agreement or otherwise granted to it by law or in equity, (b) any provision of this Agreement, or (c) any of Lessee's obligations hereunder.</p>
Return of Equipment	At the expiration or termination of this Lease Agreement, Lessee shall, at its expense, return that Equipment to and into the custody of Lessor at the place of re-delivery specified

	in writing, in the same repair, condition (compliant with the latest repair manual issued by Lessor from time to time) and working order, reasonable wear and tear resulting from proper use excepted.
Assignment and Sub--Lease	Lessee will not sell, assign, transfer, lease, sub-lease, pledge or otherwise encumber any Equipment or any of Lessee's rights under this Lease Agreement or in or to any Equipment, or permit any of its rights hereunder to be subject to any lien, charge or encumbrance of any nature. Lessor may not sell, transfer or assign any of its rights in or to any Equipment hereunder without the prior written consent of Lessee.
Breach and Remedies	<p>If Lessee breaches this Lease Agreement, Lessor shall have the right to exercise any one or more of the following remedies:</p> <p>(a) require that rent for any current and future month(s) be immediately due and payable, and upon such request all unpaid rent for prior months that is not yet due will be immediately due and payable;</p> <p>(b) terminate this Lease Agreement and retake the Equipment;</p> <p>(c) sue for any damages incurred by Lessor because of the event of default and/or termination of this Lease Agreement by reason of such default;</p> <p>(d) require Lessee to redeliver the Equipment immediately to Lessor; if the Equipment are not redelivered, Lessor may, at its option, declare the equipment to be a total loss, in which case Lessee shall pay to Lessor the Replacement Value as to that Equipment; and</p> <p>(e) possess the Equipment without notice, legal process, prior judicial hearing, or liability for trespass or other damage, Lessee knowingly agreeing to and having the same.</p>
Governing Law and Dissolution Resolution	PRC law; Court of the place where the Equipment is located.





**SCHEDULE N**

**附件 N**

**Reserved Customers**

**保留客户**

There is no Reserved Customers at the time of signing this Contract. This Schedule N will be updated from time to time upon joint written consent from SAIC and POET.

在签署本合同时，没有保留客户。本附件 N 将依据 SAIC 和 POET 的共同书面同意而不时更新。

## POET TECHNOLOGIES INC.

### 2020 STOCK OPTION PLAN (the “Plan”)

#### 1. Purchase of the Plan

The purpose of the Plan is to assist the Corporation in attracting, retaining and motivating Directors, Employees and Consultants of the Corporation and which terms are hereinafter collectively referred to as (“Directors, Employees and Consultants”) and any of its subsidiaries and to closely align the personal interests of such Directors, Employees and Consultants with those of the shareholders by providing them with the opportunity, through options, to acquire common shares in the capital of the Corporation. Capitalized terms used in this Plan that are not otherwise defined have the meanings ascribed to them in TSX Venture Exchange Policy 4.4 – Incentive Stock Options (“Policy 4.4”) or TSX Venture Exchange Policy 1.1 - Interpretation.

#### 2. Implementation

The Plan and the grant and exercise of any options under the Plan are subject to compliance with the applicable requirements of each stock exchange (“Exchanges”) on which the shares of the Corporation are listed at the time of the grant of any options under the Plan and of any governmental authority or regulatory body to which the Corporation is subject.

Upon approval by the Shareholders of the Corporation, the Plan will replace and supersede the previous Plan known as the “2020 Stock Option Plan” which was approved by Shareholders on June 21, 2018. Notwithstanding that at some future date, the shares of the Corporation are no longer listed on the TSX Venture Exchange, the Plan will remain in effect until amended or discontinued in accordance with section 7, provided that it is in compliance with all applicable corporate and securities laws, rules and regulations.

#### 3. Administration

The Plan shall be administered by the Board of Directors of the Corporation which shall, without limitation, subject to the approval of the Exchanges, have full and final authority in its discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan. The Board of Directors may delegate any or all of its authority with respect to the administration of the Plan and any or all of the rights, powers and discretions with respect to the Plan granted to it hereunder to such committee of directors of the Corporation as the Board of Directors may designate and upon such delegation such committee of directors, as well as the Board of Directors, shall be entitled to exercise any or all of such authority, rights, powers and discretions with respect to the Plan. When used hereafter in the Plan, “Board of Directors” shall be deemed to include a committee of directors acting on behalf of the Board of Directors.

#### 4. Shares Issuable Under the Plan

Subject to the requirements of the TSX Venture Exchange:

- (a) the aggregate number of shares (“Optioned Shares”) that may be issuable pursuant to options granted under the Plan will not exceed 58,538,554 shares (being an increase of 927,194 since last shareholders’ approval) hereinafter referred to as the “Fixed Number”;
- (b) this Plan, in order to be implemented, requires the approval of the majority of the shareholders of the Corporation;
- (c) unless this Plan is approved by the majority of the disinterested shareholders of the Corporation (the “Disinterested Approval”),
  - (i) the aggregate number of shares reserved for issuance under stock options granted to Insiders of the Corporation (as a group), at any point in time, under this Plan and all outstanding stock option plans or grants of options may not exceed 10% of the issued shares of the Corporation;
  - (ii) no options exceeding an aggregate of 10% of the issued shares of the Corporation, calculated at the date an option is granted to an Insider, may be granted to Insiders (as a Group) within a 12 month period under this Plan and all outstanding stock option plans or grants of options.;

- (iii) no options exceeding an aggregate of 5% of the issued shares of the Corporation, calculated on the date an option is granted to the Person, may be granted to any one Person (and, where permitted under Policy 4.4, any Companies wholly owned by that Person) within a 12 month period under this Plan and all outstanding stock option plans or grants of options;
- (iv) upon the Corporation obtaining the requisite Disinterested Approval, the provisions set out in this subsection 4 (c) shall no longer apply;
- (d) no options exceeding an aggregate of 2% of the issued shares of the Corporation, calculated at the date an option is granted to the Consultant, may be granted to any one Consultant in a 12 month period;
- (e) no options exceeding an aggregate of 2% of the issued shares of the Corporation, calculated at the date an option is granted to any such Person, may be granted to all Persons retained to provide Investor Relations Activities in any 12 month period. Persons retained to provide Investor Relations Activities shall include any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities.
- (f) Policy 4.4 requires that the Board of Directors, through the establishment of appropriate procedures, monitor the trading in the securities of the Issuer by all Optionees performing Investor Relations Activities. These procedures may include, for example, the establishment of a designated brokerage account through which the Optionee conducts all trades in the securities of the Issuer or a requirement for such Optionees to file insider trade reports with the Board.

## 5. Eligibility

### (a) General

Options may be granted under the Plan to Directors, Employees, Consultants, and Consultant Companies of the Corporation and any of its subsidiaries (collectively the “Optionees” and individually an “Optionee”). Subject to the provisions of the Plan, the total number of Optioned Shares to be made available under the Plan and to each Optionee, the time or times and price or prices at which options shall be granted, the time or times at which such options are exercisable, and any conditions or restrictions on the exercise of options, shall be in the full and final discretion of the Board of Directors.

### (b) Consultant Company and other Companies

Provided that a Form 4F (*Certification and Undertaking Required from a Company Granted an Incentive Stock Option*) duly completed and signed by the Optionee in the form attached hereto as Schedule “B” or such other form as may be amended by the TSX Venture Exchange from time to time, options may also be granted under the Plan to:

- (i) Except in relation to a Consultant Company, a company which is providing consulting services to the Corporation and is wholly owned by individuals eligible for an option grant.

### (c) Management Company Employees

Options may also be granted to individuals (hereinafter referred to as “Management Company Employees”) employed by a company providing management services to the Corporation, which services are required for the ongoing successful operation of the business enterprise of the Corporation, except for services involving Investor Relations Activities.

### (d) Options Granted to Employees, Consultants or Management Company Employees

The Corporation and the Optionee are responsible for ensuring and confirming that, in the event it wishes to grant options under the Plan to Employees, Consultants, Consultant Companies or Management Company Employees, it will only grant such options to Optionees who are bona fide Employees, Consultants, Consultant Companies or Management Company Employees, as the case may be.

## 6. Terms and Conditions

All options under the Plan shall be granted upon and subject to the terms and conditions hereinafter set forth.

### (a) Exercise price



The exercise price to each Optionee for each Optioned Share shall be determined by the Board of Directors, but shall be:

- (i) not less than the last closing price of the Corporation's common shares as traded on the TSX Venture Exchange before the date of the stock option grant, unless the price determined by the Board of Directors is discounted, in which case shall not be less than the Discounted Market Price of the Corporation's common shares as traded on the TSX Venture Exchange, or
- (ii) such other price as may be agreed to by the Corporation and accepted by the TSX Venture Exchange,

provided that the exercise price for each Optioned Share in respect of options granted within 90 days of a Distribution by a Prospectus shall not be less than the greater of the Discounted Market Price and the price per share paid by public investors for listed shares of the Corporation under the Distribution.

(b) Reduction in the Exercise Price of Options Granted to Insiders

In the event the Corporation wishes to reduce the exercise price of any options held by Insiders of the Corporation at the time of the proposed reduction, the approval of the disinterested Shareholders of the Corporation will be required prior to the exercise of any such options at the reduced exercise price.

(c) Option Agreement

All options shall be granted under the Plan by means of an agreement (the "Option Agreement") between the Corporation and each Optionee in the form attached hereto as Schedule "A" or such other form as may be approved by the Board of Directors, such approval to be conclusively evidenced by the execution of the Option Agreement by any one director or officer of the Corporation, or otherwise as determined by the Board of Directors.

(d) Length of Grant

Subject to sections 6 (k), 6 (m), 6 (n), 6 (o), 6 (p) and 6 (s), all options granted under the Plan shall be for a term determined by the Board of Directors, provided that no options shall expire later than that date which is 10 years from the date such options were granted.

(e) Non-Assignability of Options

All options granted under the Plan are non-transferable and non-assignable (whether absolutely or by way of mortgage, pledge or other charge) by an Optionee other than by will or other testamentary instrument or the laws of succession (subject to section 6 (p) hereof) and may be exercisable during the lifetime of the Optionee only by such Optionee.

(f) Vesting Schedules

The following vesting schedules will apply to incentive stock options granted under the Plan. Each Optionee who is granted options under the Plan will become vested with the right to exercise one-quarter (1/4) of the options on the date of the grant of the options and a further one-quarter (1/4) upon the conclusion of every six months subsequent to the date of the grant of the options, such that that Optionee will be vested with the right to exercise one hundred percent (100%) of his options upon the conclusion of 18 months from the date of the grant of the options. The Board of Directors may, at the time of grant, apply a different vesting schedule for any or all options granted, including such schedule whereby the options will vest immediately, provided that options granted to Persons retained to provide "Investor Relations Activities" must vest in stages over a period of not less than 12 months with no more than one-quarter (1/4) of the options vesting in any three month period.

(g) Right to Postpone Exercise

Each Optionee, upon becoming entitled to exercise the option in respect of any Optioned Shares in accordance with the Option Agreement, shall thereafter be entitled to exercise the option to purchase such Optioned Shares at any time prior to the expiration or other termination of the Option Agreement or the option rights granted thereunder in accordance with such agreement.

(h) Exercise and Payment

Any option granted under the Plan may be exercised by an Optionee or, if applicable, the legal

representatives of an Optionee, giving notice to the Corporation specifying the number of shares in respect of which such option is being exercised, accompanied by payment (by bank draft or certified cheque/check payable to the Corporation) of the entire exercise price (determined in accordance with the Option Agreement) for the number of shares specified in the notice. Upon any such exercise of an option by an Optionee the Corporation shall cause the transfer agent and registrar of shares of the Corporation to promptly deliver to such Optionee or the legal representatives of such Optionee, as the case may be, a share certificate in the name of such Optionee or the legal representatives of such Optionee, as the case may be, representing the number of shares specified in the notice. If the Corporation has engaged an administrator to administer the Plan, such as an Internet-based administration platform, which also includes the availability of a broker-assisted exercise process, the Optionee agrees to follow the procedures established by the Corporation or such administrator with respect to the exercise of options.

(i) Rights of Optionees

The Optionees shall have no rights whatsoever as shareholders in respect of any of the Optioned Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering) other than Optioned Shares in respect of which Optionees have exercised their option to purchase and which have been issued by the Corporation.

(j) Effect of a Take-Over Bid

If a bona fide offer ( an "Offer") for Shares is made to the Optionee or to shareholders of the Corporation generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Corporation, within the meaning of subsection 1(1) of the Securities Act, the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchanges) all Option Shares subject to such Option will become fully vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (i) the Offer is not completed within the time specified therein; or
- (ii) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof;

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to section 6 (f) shall be reinstated. If any Option Shares are returned to the Corporation under this section 6 (g), the Corporation shall immediately refund the exercise price to the Optionee for such Option Shares.

(k) Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, fully vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Directors shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days' and not more than 30 calendar days' notice is required.

(l) Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become fully vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges if necessary.

(m) Alterations in Shares

In the event of a stock dividend, subdivision, redivision, consolidation, share reclassification (other than

pursuant to the Plan), amalgamation, merger, corporate arrangement, reorganization, liquidation or the like, of or by the Corporation, the Board of Directors may make such adjustment, if any, of the number of Optioned Shares, or of the exercise price, or both, as it shall deem appropriate to give proper effect to such event. If because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of shares in the Corporation for those in another corporation is imminent, the Board of Directors may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the Optionees and of the time for the fulfillment of any conditions or restrictions on such exercise. All determinations of the Board of Directors under this section 6 (m) shall be full and final.

(n) Termination for Cause

If an Optionee ceases to be either a Director, Employee, Consultant or Management Company Employee of the Corporation or of any of its subsidiaries as a result of having been dismissed from any such position for cause, all unexercised option rights of that Optionee under the Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the option granted to such Optionee under the Plan.

(o) Termination Other Than For Cause

- (i) If an Optionee ceases to be either an Employee, Consultant or Management Company Employee of the Corporation or any of its subsidiaries for any reason other than as a result of having been dismissed for cause as provided in section 6 (n) or as a result of the Optionee's death, such Optionee shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of ceasing to be either an Employee, Consultant or Management Company Employee to exercise the option under the Plan with respect to all Optioned Shares of such Optionee to the extent they were exercisable on the date of ceasing to be either an Employee, Consultant or Management Company Employee. Upon the expiration of such 90 day period all unexercised option rights of that Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Optionee under the Plan.
- (ii) If an Optionee ceases to be either a Director or Officer of the Corporation or any of its subsidiaries for any reason other than as a result of having been dismissed for cause as provided in section 6 (n) or as a result of the Optionee's death, such Optionee shall have the right for a period of one year (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of ceasing to be either a Director or Officer to exercise the option under the Plan with respect to all Optioned Shares of such Optionee to the extent they were exercisable on the date of ceasing to be either a Director or Officer. Upon the expiration of such one year period all unexercised option rights of that Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Optionee under the Plan.
- (iii) If an Optionee engaged in providing Investor Relations Activities to the Corporation ceases to be employed in providing such Investor Relations Activities, such Optionee shall have the right for a period of 30 days (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of ceasing to provide such Investor Relations Activities to exercise the option under the Plan with respect to all Optioned Shares of such Optionee to the extent there were exercisable on the date of ceasing to provide such Investor Relations Activities. Upon the expiration of such 30-day period all unexercised option rights of that Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to such Optionee under the Plan.

(p) Deceased Optionee

In the event of the death of any Optionee, the legal representatives of the deceased Optionee shall have the right for a period of one year (or until the normal expiry date of the option rights of such Optionee if earlier) from the date of death of the deceased Optionee to exercise the deceased Optionee's option with respect to all of the Optioned Shares of the deceased Optionee to the extent they were exercisable on the date of death. Upon the expiration of such period all unexercised option rights of the deceased Optionee shall immediately become terminated and shall lapse notwithstanding the original term of the option granted to the deceased Optionee under the Plan.

(q) Hold Period

In addition to any resale restrictions under securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an Issuer, and any other circumstances for which the Exchange Hold Period may apply, where the exercise price of the stock option is at a discount to the Market Price, all stock options and any Option Shares issued under stock options exercised prior to the expiry of the Exchange Hold Period must be legended with the Exchange Hold Period commencing on the date the stock options were granted.

(r) Cancelled or Expired Options

Options that have been cancelled or that have expired without being exercised continue to be issuable under the plan under which they were approved.

(s) Extension of Options during Blackout Period.

Stock options governed by this plan that have an expiry date which falls within a period (a “blackout period”) during which the Corporation prohibits Optionees from exercising their stock options are automatically extended as set out below. The following requirements are applicable to any such automatic extension provision:

- (i) The blackout period must be formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Corporation formally imposing a blackout period, the expiry date of any options will not be automatically extended in any circumstances.
- (ii) The blackout period must expire upon the general disclosure of the undisclosed Material Information. The expiry date of the affected stock options can be extended to no later than ten (10) business days after the expiry of the blackout period.
- (iii) The automatic extension of an Optionee’s options will not be permitted where the Optionee or the Issuer is subject to a cease trade order (or similar order under Securities Laws) in respect of the Issuer’s securities.

**7. Amendment and Discontinuance of Plan**

Subject to the acceptance of the Exchanges, the Board of Directors may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time, provided that no such action may in any manner adversely affect the rights under any options earlier granted to an Optionee under the Plan without the consent of that Optionee.

**8. No Further Rights**

Nothing contained in the Plan nor in any option granted hereunder shall give any Optionee or any other person any interest or title in or to any shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation whatsoever other than as set forth in the Plan and pursuant to the exercise of any option, nor shall it confer upon the Optionees any right to continue as a Director, Employee or Consultant of the Corporation or of any of its subsidiaries.

**9. Compliance with Laws**

The obligations of the Corporation to sell shares and deliver share certificates under the Plan are subject to such compliance by the Corporation and the Optionees as the Corporation deems necessary or advisable with all applicable corporate and securities laws, rules and regulations.

Approved by the Shareholders on August 26, 2020.

## SCHEDULE "A"

### POET TECHNOLOGIES INC.

#### STOCK OPTION PLAN - OPTION AGREEMENT

This Option Agreement dated ● (the "Grant Date") is entered into between POET TECHNOLOGIES INC. ("the Corporation") and ● (the "Optionee") pursuant to the Corporation's Stock Option Plan (the "Plan"). A copy of the current version of the Plan is available for download from SEDAR ([www.sedar.com](http://www.sedar.com)) or from the Company's website (<http://www.poet-technologies.com/documents/Stock-Option-Plan.pdf>).

The parties agree and confirm that: (i) the Optionee was granted ● options (the "Options"), each option entitling the optionee to purchase one common share (an "Option Share" or collectively the "Optioned Shares") of the Corporation for the price of ● per share (the "Exercise Price"); (ii) the Options will vest according to the vesting schedule set forth below, and only the vested Options are exercisable; (iii) unless exercised or cancelled earlier, the Options expire and this agreement will terminate on ● (the "Expiry Date"); (iv) the Options are subject to the conditions set out in the Plan and subject to there being no objection by the TSX Venture Exchange to the grant of the Option to the Optionee.

[INSERT VEST SCHEDULE TABLE]

For greater certainty, the Options continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee (i) is either a bona fide Director, Officer, Employee, Consultant, or Management Company Employee of the Corporation (as defined in Policy 4.4 of the TSX Venture Exchange), (ii) has read and understands the Plan, and (iii) agrees to the terms and conditions of the Plan and this Option Agreement.

The Optionee hereby agrees to comply with all applicable Canadian securities laws, all applicable securities laws of the Subscriber's jurisdiction of residence and all applicable Rules, Regulations and Policies of the TSX Venture Exchange for the exercise of Options and the sale of the Optioned Shares. Any sale of shares issuable under this Option Agreement prior to the effective date of the exercise is considered a short sale under applicable securities laws.

The Corporation has engaged Solium Capital Inc. ("Solium") to administer the Plan using an Internet-based administration platform, which also includes the availability of a broker-assisted exercise process. The Optionee can exercise his Option by executing an "Exercise and Hold" or "Exercise and Sell" transaction by accessing Solium's website or by telephone. For Exercise and Hold transactions, the aggregate Exercise Price along with the applicable withholding income taxes ("Taxes") will need to be sent to the Secretary of the Corporation before the Optioned Shares can be issued and sent to the Optionee. For Exercise and Sell transactions, the aggregate Exercise Price along with the applicable Taxes will be paid to Corporation by Solium from the proceeds of the sale of the Optioned Shares.

Upon any exercise of Options pursuant to an Exercise and Sell transaction, if the Optionee is a person residing in the United States at the time of exercising his Option, the Optionee covenants, agrees and certifies that as at the date of such exercise,

- he is not an affiliate of the Corporation, as that term is defined in the U.S Securities Act of 1933, (or if he is, he is an affiliate of the Corporation only by virtue of being an officer or director of the Corporation),
- he has not offered, and has not instructed any person to offer, the Optioned Shares to a person in the United States;
- the sale of his Optioned Shares should only be executed in, on or through the facilities of The TSX Venture Exchange and neither he nor any person acting on his behalf know that a sale has been prearranged with a buyer in the United States,
- neither he nor any affiliate of his nor any person acting on his behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such Optioned Shares,
- the sale will be bona fide and not for the purpose of "washing off" any resale restrictions imposed,
- he does not intend to replace the shares sold with fungible unrestricted securities; and
- his sale or contemplated sale is not a transaction, or part of a series of transactions which is part of a plan or scheme to evade the registration provisions of the 1933 Act.

Executed by the Corporation as of ●.

**POET TECHNOLOGIES INC.**

Per: \_\_\_\_\_  
Authorized Signatory

**Acceptance**

\_\_\_\_\_  
OPTIONEE (Employee Number)

Dated:

SCHEDULE "B"



**FORM 4F**  
**CERTIFICATION AND UNDERTAKING REQUIRED FROM A**  
**COMPANY GRANTED AN INCENTIVE STOCK OPTION**

Re: \_\_\_\_\_ (the "Issuer")

Trading Symbol: \_\_\_\_\_

\_\_\_\_\_ (the "Option Holder") certifies that all securities of the Option Holder are owned by \_\_\_\_\_, a Person eligible to be granted an incentive stock option, and undertakes, for the duration of the time that the Option Holder is the holder of an incentive stock option in the securities of the Issuer, that it will not:

1. effect or permit any transfer of ownership or option of securities of the Option Holder; or
2. allot and issue further securities of any class of shares of the Option Holder to any other individual or entity.

**Acknowledgement - Personal Information**

"Personal Information" means any information about an identifiable individual, and includes the information contained in the first paragraph of this Form.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6A) pursuant to this Form; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6A or as otherwise identified by the Exchange, from time to time.

Dated \_\_\_\_\_

[Name of Option Holder]

\_\_\_\_\_  
Authorized signatory

**POET TECHNOLOGIES INC.**

- and -

**TSX TRUST COMPANY**

**WARRANT INDENTURE**

Dated as of February 11, 2021

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 <b>SCHEDULE A FORM OF WARRANT CERTIFICATE</b>		
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**THIS WARRANT INDENTURE** dated the 11<sup>th</sup> day of February, 2021.

B E T W E E N:

**POET TECHNOLOGIES INC.**, a corporation existing under laws of the Province of Ontario

(hereinafter called the "**Corporation**")

OF THE FIRST PART

- and -

**TSX TRUST COMPANY**, a trust company existing under the laws of Canada

(hereinafter called the "**Warrant Agent**")

OF THE SECOND PART

**WHEREAS**, in connection with a private placement offering (the "**Offering**") by the Corporation, the Corporation has agreed to issue up to 17,647,200 units of the Corporation (the "**Units**"), whereby each Unit is comprised of one Unit Share (as defined herein) and one Warrant (as defined herein);

**AND WHEREAS** in connection with the Offering, up to 17,647,200 Warrants will be issuable as part of the Units;

**AND WHEREAS** each Warrant entitles the holder thereof to purchase, subject to adjustment in certain events specified herein, one Warrant Share (as defined herein) at a price of \$1.15 at any time prior to 5:00 p.m. (Toronto Time) on the Expiry Date (as defined herein), which is subject to acceleration at the Corporation's option upon the Acceleration Event (as defined herein);

**AND WHEREAS** for such purpose the Corporation deems it necessary to create and issue the Warrants and Warrant Certificates to be constituted and issued in the manner hereinafter set forth;

**AND WHEREAS** the Corporation is authorized under the laws applicable to it to create and issue the Warrants as hereinafter provided;

**AND WHEREAS** all things necessary have been or will be done and performed by the Corporation to make the Warrants, when created and issued in accordance with the provisions of this Indenture, legal, valid and binding obligations of the Corporation with the benefits and subject to the provisions of this Indenture;

**AND WHEREAS** the foregoing recitals are made as statements of fact by the Corporation and not by the Warrant Agent.

**NOW THEREFORE THIS INDENTURE WITNESSETH** that for good and valuable consideration mutually given and received, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed and declared as follows:

**ARTICLE ONE**  
**DEFINITIONS AND INTERPRETATION**

**Section 1.01**    **Definitions**

In this Indenture and in the Warrant Certificates, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined in this Section 1.01 shall, for the purpose of this Indenture and all supplemental indentures hereto and for the purpose of the Warrant Certificates, have the respective meanings specified in this Section 1.01:

- (a)    "**Acceleration Event**" has the meaning set forth in subsection 2.02(b);
- (b)    "**Acceleration Notice**" has the meaning set forth in subsection 2.02(b);
- (c)    "**Acceleration Trigger Price**" means \$2.30, as adjusted in accordance with the terms of this Indenture;
- (d)    "**Applicable Legislation**" means such provisions of any statute of Canada or of a province thereof, and of regulations under any such statute, relating to warrant indentures or to the rights, duties and obligations of corporations and of warrant agents under warrant indentures, as are from time to time in force and applicable to this Indenture;
- (e)    "**Applicable Procedures**" means (i) with respect to any transfer or exchange of beneficial ownership interests in a Global Security, the applicable rules, procedures or practices of CDS in effect at the time being, and (ii) with respect to any issuance, deposit or withdrawal of Warrants from or to an electronic position evidencing a beneficial ownership interest in, or the exercise of Warrants represented by, a Global Security, the rules, procedures or practices followed by CDS and the Warrant Agent at the time being with respect to the issuance, deposit or withdrawal of such positions;
- (f)    "**Authenticated**" means (i) with respect to the issuance of a Warrant Certificate, one which has been duly signed by the Corporation and countersigned by manual signature of an authorized signatory of the Warrant Agent, and (ii) with respect to the issuance of an Uncertificated Warrant, one in respect of which the Warrant Agent has completed all Internal Procedures such that the particulars of such Uncertificated Warrant are entered in the register of holders of Warrants as required by subsection 2.08(a) hereof, and "Authenticate", "Authenticating" and "Authentication" have the appropriate correlative meanings;
- (g)    "**Beneficial Owner**" means a person that has a beneficial ownership interest in a Warrant that is represented by a Global Security;
- (h)    "**book-based system**" means the electronic system for clearing, depository and entitlement services operated by CDS;
- (i)    "**Business Day**" means any day that is not a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario;
- (j)    "**CDS**" means CDS Clearing and Depository Services Inc., or its successor;

- (k) "**CDS Participant**" means a member firm of CDS who participates in the book-based system;
- (l) "**CDSX**" means the settlement and clearing system of CDS for equity and debt securities in Canada;
- (m) "**Certificated Warrant**" means a Warrant evidenced by a Warrant Certificate and issued pursuant to subsection 2.01(c) hereof;
- (n) "**Closing Date**" means February 11, 2021;
- (o) "**Common Share Reorganization**" means any of the events described in subsections 4.01(a)(i), (ii) or (iii) hereof;
- (p) "**Common Shares**" means the common shares which the Corporation is authorized to issue as constituted immediately prior to the closing time of the Offering; provided that in the event of any adjustment pursuant to the provisions of Article Four hereof, "Common Shares" shall thereafter mean the shares or other securities or property resulting from such adjustment;
- (q) "**Confirmation**" means a confirmation delivered pursuant to subsection 3.01(b) hereof by CDS to the Warrant Agent of CDS's intention to exercise Warrants, in a manner acceptable to the Warrant Agent, including by electronic means through the book-based system;
- (r) "**Corporation**" means POET Technologies Inc. and includes any successor corporation thereto;
- (s) "**Corporation's Accountants**" has the meaning ascribed thereto in subsection 4.02(h) hereof;
- (t) "**Corporation's Auditor**" means the firm of chartered accountants appointed as the auditor of the Corporation at the particular time;
- (u) "**Counsel**" means a barrister and solicitor or a firm of barristers and solicitors, who may be counsel for the Corporation, acceptable to the Warrant Agent;
- (v) "**Current Market Price**" of the Common Shares at any date means the price per Common Share equal to the volume weighted average trading price at which the Common Shares have traded on the TSX Venture Exchange or, if the Common Shares are not then listed on the TSX Venture Exchange, on such other Canadian stock exchange as may be selected by the Directors for such purpose or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of any 20 consecutive Trading Days selected by the Corporation ending not more than five Business Days, and not less than three Business Days, before such date; provided that the weighted average trading price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during the said 20 consecutive Trading Days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or traded in the over-the-counter market, then the Current Market Price shall be determined by a firm of independent chartered accountants selected by the Directors;

- (w) "**Director**" means a director of the Corporation for the time being, and, unless otherwise specified herein, reference to "action by the Directors" means action by the directors of the Corporation as a board or, whenever empowered, action by any committee of the directors of the Corporation;
- (x) "**Dividends paid in the Ordinary Course**" means such dividends payable in cash (or in securities, property or assets of equivalent value) declared payable on a Common Share in any fiscal year of the Corporation to the extent that such dividends in the aggregate do not exceed in amount or value the greater of:
  - (i) 100% of the aggregate amount or value of the dividends declared payable by the Corporation on the Common Shares in the period of 12 consecutive months ended immediately prior to the first day of such fiscal year; and
  - (ii) 50% of the consolidated net earnings of the Corporation, before extraordinary items and after dividends paid on any and all Common Shares of the Corporation (if any) for the period of 12 consecutive months ended immediately prior to the first day of such fiscal year (such consolidated net earnings to be as shown in the audited consolidated financial statements of the Corporation for such 12 month period or, if there are no audited financial statements in respect of such period, computed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the most recent audited consolidated financial statements of the Corporation);
- (y) "**DRS**" means Direct Registration System maintained by the Warrant Agent, in the case of Warrants, or the Corporation's Transfer Agent, in the case of Common Shares;
- (z) "**DRS Advice**" means the notification produced by the DRS system evidencing ownership of the Warrants or Common Shares, as the case may be;
- (aa) "**Effective Date**" means the date of issue of the Warrants;
- (bb) "**Exercise Date**" with respect to any Warrant means the date on which such Warrant is surrendered for exercise in accordance with the provisions of Article Three hereof;
- (cc) "**Exercise Price**" means \$1.15 per Warrant Share, unless such amount shall have been adjusted pursuant to the provisions of Article Four hereof in which case such term shall mean the adjusted price in effect at such time;
- (dd) "**Expiry Date**" means the earlier of (i) February 11, 2023; and (ii) the date indicated on the Acceleration Notice that shall not be less than 15 days following the date of delivery of such Acceleration Notice;
- (ee) "**Expiry Time**" means 5:00 p.m. (Toronto time) on the Expiry Date;
- (ff) "**Extraordinary Resolution**" means, subject as hereinafter provided in Sections 8.12, 8.15 and 8.16 hereof, a motion proposed at a meeting of Warrantholders called for that purpose and held in accordance with the provisions of Article Eight hereof at which there are present in person or represented by proxy Warrantholders holding in the aggregate at least 25% of the total number of Warrants then outstanding as of the date of the meeting and passed by the affirmative votes of Warrantholders who hold in the aggregate not less than

66⅔% of the total number of Warrants represented at the meeting and voted on such motion;

- (gg) "**Global Security**" means Warrants represented by an Uncertificated Warrant, or if requested by CDS or the Corporation, by a Warrant Certificate, that is registered in the name of CDS, or its nominee, for the purpose of being held by or on behalf of CDS as custodian;
- (hh) "**Internal Procedures**" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Warrant Agent's internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Warrant Agent;
- (ii) "**Issue Date**" means the date on which the Warrants are issued;
- (jj) "**Offering**" has the meaning ascribed thereto in the recitals hereto;
- (kk) "**Person**" includes an individual, corporation, limited liability company, partnership, trustee, unincorporated organization or any other entity whatsoever, and words importing persons have a similar extended meaning;
- (ll) "**Qualified Institutional Buyer**" means a "qualified institutional buyer" as such term is defined in Rule 144A under the U.S. Securities Act.
- (mm) "**Regulation D**" means Regulation D as promulgated by the SEC under the U.S. Securities Act;
- (nn) "**Regulation S**" means Regulation S as promulgated by the SEC under the U.S. Securities Act;
- (oo) "**Rights Offering**" means any of the events described in subsection 4.01(b) hereof;
- (pp) "**Rights Period**" means any period determined for the purposes of subsection 4.01(b) hereof;
- (qq) "**SEC**" means the United States Securities and Exchange Commission;
- (rr) "**Shareholder**" means a holder of record of one or more Common Shares;
- (ss) "**Special Distribution**" means any of the events described in subsection 4.01(c) hereof;
- (tt) "**Subsidiary**" means any corporation of which Voting Shares carrying more than 50% of the votes attached to all outstanding Voting Shares of such corporation are owned, directly or indirectly, other than by way of security only, by one or more of the Corporation and any Subsidiary, provided that the Corporation or such Subsidiary is not contractually or otherwise prohibited or restricted from exercising sufficient of the voting rights attached to such Voting Shares to elect at least a majority of the directors of such corporation;

- (uu) "**Trading Day**", with respect to any stock exchange or over-the-counter market, means a day on which shares may be traded through the facilities of such stock exchange or in such over-the-counter market and otherwise means a day on which shares may be traded through the facilities of the principal stock exchange on which the Common Shares are then listed (or if the Common Shares are not then listed on any stock exchange, then in the over-the-counter market);
- (vv) "**Transfer Agent**" means the transfer agent for the time being of the Common Shares;
- (ww) "**Uncertificated Warrant**" means any Warrant which is not a Certificated Warrant, including DRS Advices;
- (xx) "**Unit Shares**" means the Common Shares comprising part of the Units;
- (yy) "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (zz) "**Units**" has the meaning set forth in the preamble;
- (aaa) "**U.S. Accredited Investor**" means an "accredited investor" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act.
- (bbb) "**U.S. Common Share Legend**" has the meaning set forth in subsection 3.06(c);
- (ccc) "**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;
- (ddd) "**U.S. Legend**" has the meaning set forth in subsection 2.01(f)(i);
- (eee) "**U.S. Person**" has the meaning set forth in Rule 902(k) of Regulation S;
- (fff) "**U.S. Purchaser**" means an original purchaser of the Units who was, at the time of purchase, (A) a U.S. Person, (B) any person purchasing such Units on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States, (C) any person who receives or received an offer to acquire such Units while in the United States, (D) any person who was in the United States at the time such person's buy order was made or the subscription agreement pursuant to which such Units were acquired was executed or delivered, and (E) not a Qualified Institutional Buyer;
- (ggg) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
- (hhh) "**U.S. Warrantholder**" means any Warrantholder that (a) is (i) present in the United States, (ii) a U.S. Person, (iii) a Person exercising such Warrants for the account or benefit of a U.S. Person or a Person in the United States, (iv) executing or delivering the subscription form in the United States, or (v) requesting delivery in the United States of the Common Shares issuable upon exercise of the Warrants, and that (b) is not a Qualified Institutional Buyer that (i) was the original purchaser of Units that include the Warrants being exercised, (ii) executed and delivered a subscription agreement ("**Subscription Agreement**") to the Corporation in connection with its purchase of such Units (as a Qualified Institutional Buyer) and (iii) is certifying in connection with its exercise of the Warrants that the



representations, warranties and covenants made thereby (as a Qualified Institutional Buyer) in such Subscription Agreement remain true and correct;;

- (iii) **"U.S. Warrantholder Letter"** means the U.S. Warrantholder letter in substantially the form contained on the Warrant Certificate (FORM 4);
- (jjj) **"Voting Shares"** of any corporation means shares of one or more classes or series of a class of shares of such corporation carrying voting rights under all circumstances (and not by reason of the happening of a contingency) sufficient if exercised to elect all of the directors of such corporation, provided that such shares shall be deemed not to cease to be Voting Shares solely by reason of a right to vote for the election of one or more of the directors of such corporation accruing to shares of another class or series of a class of shares of such corporation by reason of the happening of a contingency;
- (kkk) **"Warrant Agent"** means TSX Trust Company, or the successor thereof for the time being of the duties and obligations hereby created;
- (lll) **"Warrant Certificates"** means the certificates representing the Warrants substantially in the form attached as Schedule A hereto issued and countersigned hereunder and for the time being outstanding;
- (mmm) **"Warrant Shares"** means the Common Shares issuable upon the exercise of the Warrants;
- (nnn) **"Warrantholders"** or "holders" without reference to Common Shares means the Persons, including CDS, for the time being who are registered holders of Warrants as such names appear on the register;
- (ooo) **"Warrantholders' Request"** means an instrument signed in one or more counterparts by Warrantholders holding in the aggregate not less than 25% of the aggregate number of all Warrants then unexercised and outstanding, requesting the Warrant Agent to take some action or proceeding specified therein;
- (ppp) **"Warrants"** means the warrants issued and Authenticated hereunder, whether by way of a Warrant Certificate or Uncertificated Warrant, each one of which will entitle the holder thereof to purchase one Common Share at the Exercise Price at any time up to the Expiry Time, subject to adjustment in accordance with Article Four hereof; and
- (qqq) **"Written Order of the Corporation"**, **"Written Request of the Corporation"**, **"Written Consent of the Corporation"** and **"Certificate of the Corporation"** mean respectively a written order, request, consent or certificate signed in the name of the Corporation by its Chief Executive Officer, Chief Financial Officer or Secretary or a Director.

**Section 1.02 Number and Gender**

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing the masculine include the feminine and neuter genders.

**Section 1.03 Interpretation not Affected by Headings**

The division of this Indenture into articles, sections, subsections, paragraphs and subparagraphs, the provision of the table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture.

**Section 1.04 Day Not a Business Day**

If the day on or before which any action that would otherwise be required to be taken hereunder is not a Business Day in the place where the action is required to be taken, that action will be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

**Section 1.05 Currency**

All references to currency herein and in the Warrant Certificates are to lawful money of Canada unless otherwise specified herein.

**Section 1.06 Applicable Law**

This Indenture, the Warrant Certificates and the Warrants shall be governed by and performed, construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**Section 1.07 Language**

The parties to this Indenture expressly request and require that this Indenture and all related documents be drafted in English. *Les parties aux présentes conviennent et exigent que cette convention et tous les documents qui s'y rattachent soient rédigés en anglais.*

**Section 1.08 References to this Indenture**

The words and phrases "this Warrant Indenture", "this Indenture", "herein", "hereby", "hereof" and similar expressions mean or refer to this Indenture and any indenture, deed or instrument supplemental hereto and the words "article", "section", "subsection", "paragraph" and "subparagraph" followed by a number mean and refer to the specified article, section, subsection, paragraph or subparagraphs of this Indenture.

**Section 1.09 Schedules**

The following schedules are attached to, form part of and shall be deemed to be incorporated into this Indenture.

<u>Schedule</u>	<u>Title</u>
A	Form of Warrant Certificate
B	Form of Declaration for Removal of Legend

**ARTICLE TWO**  
**ISSUE AND FORM OF WARRANTS**

**Section 2.01 Issue and Form of Warrants**

- (a) Authorization of Warrants: The Corporation is hereby authorized to create and issue in accordance with the terms and conditions hereof up to 17,647,200 Warrants entitling the holders thereof to subscribe for and purchase up to an aggregate of 17,647,200 Warrant Shares together with such additional indeterminate number of Warrant Shares as may be required to be issued pursuant to any adjustment required to be made by the provisions of Article Four hereof.
- (b) Form of Warrants: Subject to subsections 2.01(c), 2.01(d), 2.01(e), and 2.01(f) hereof, Warrants may be issued in both certificated and uncertificated form; provided, however, that all Warrants issued hereunder, other than Warrants represented by a Global Security or DRS Advice, shall be issued in certificated form. Each Warrant originally issued to a U.S. Purchaser, and each Warrant issued in exchange therefor or substitution thereof, will be evidenced by a Warrant Certificate that bears the U.S. Legend.
- (c) Certificated Warrants: All Warrants issued in certificated form shall be evidenced by Warrant Certificates. Upon the issue of Warrants issued in certificated form, Warrant Certificates shall be executed by the Corporation and delivered to the Warrant Agent, Authenticated by the Warrant Agent upon the Written Request of the Corporation and delivered by the Warrant Agent to the Corporation or to the order of the Corporation pursuant to a Written Request of the Corporation, without any further act of or formality on the part of the Corporation. The Warrant Certificates shall be substantially in the form of the certificate attached hereto as Schedule A, shall be dated as of the date of issue thereof (including all replacements issued in accordance with this Indenture), and may bear such distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe. Irrespective of any adjustments required to be made by the provisions of Article Four hereof, all replacement Warrant Certificates shall continue to express the number of Warrant Shares purchasable upon the exercise of the Warrants represented thereby and the Exercise Price as if such Warrant Certificates were issued as of the initial date of issue thereof pursuant hereto. Any Warrant Certificate validly issued in accordance with the terms of this Indenture in effect at the time of issue of such Warrant Certificate shall, subject to the terms of this Indenture and applicable law, validly entitle the holder thereof to acquire Warrant Shares, notwithstanding that the form of such Warrant Certificate may not be the form currently required by this Indenture.
- (d) Uncertificated Warrants: Warrants issued in uncertificated form shall be evidenced by a book position on the register of Warrantholders to be maintained by the Warrant Agent in accordance with Section 2.08 hereof.
- (e) Warrants Represented by a Global Security: For the purpose of the administration of the Warrants to be issued hereunder and notwithstanding anything to the contrary contained in this Indenture and the Warrant Certificates, Warrants represented by a Global Security will be registered in the name of CDS, or its nominee. Subject to applicable law, Warrants represented by a Global Security shall, unless otherwise requested by CDS or the Corporation, be issued in uncertificated form. If Warrants represented by a Global Security are represented in certificated form, they shall be represented by a Warrant Certificate substantially in the form of the certificate attached hereto as Schedule A, and, if so

represented, such certificate shall be delivered to CDS, or its nominee. The Global Security will be subject to the Applicable Procedures of the book-based system and to Section 2.11 hereof.

(f) Legends:

- (i) Neither the Warrants nor the Warrant Shares issuable upon exercise of the Warrants have been or will be registered under the U.S. Securities Act or under any United States state securities laws. Each Warrant Certificate originally issued for the benefit or account of a U.S. Purchaser, and each Warrant Certificate issued in exchange therefor or in substitution thereof, shall bear or be deemed to bear the following legends or such variations thereof as the Corporation may prescribe from time to time (the "**U.S. Legend**"):

"THIS WARRANT AND THE SECURITIES DELIVERABLE UPON EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THIS WARRANT MAY NOT BE EXERCISED BY OR ON BEHALF OF A U.S. PERSON OR PERSON IN THE UNITED STATES UNLESS EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT ARE AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED BY REGULATION S UNDER THE SECURITIES ACT.

THIS WARRANT MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO POET TECHNOLOGIES INC. (THE "CORPORATION"), (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT PROVIDED BY RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT THAT IS AVAILABLE FOR THE RESALE OF THE SECURITIES, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION."

provided that, if the Warrants are being sold outside the United States in accordance with Rule 904 of Regulation S, this legend may be removed by the transferor providing a declaration to the Warrant Agent in the form set forth in Schedule B or as the Warrant Agent or the Corporation may prescribe from time to time; and provided, further, that, if any such securities are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, or another transaction that does not require registration under the U.S. Securities Act or applicable state securities laws, the legend may be removed by delivery to the

Warrant Agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation that such legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

The Warrant Agent shall be entitled to request any other documents that it may require in accordance with its internal policies for the removal of the U.S. Legend.

- (ii) The certificates or other instruments representing the Warrants, and the certificates or other instruments representing any Warrant Shares issued upon exercise of the Warrants, if issued prior to four months and one day following the Issue Date, will bear the following legend in accordance with applicable securities legislation:

"UNLESS PERMITTED BY SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JUNE [12], 2021."

- (iii) And, if required by the policies of the TSX Venture Exchange, the certificates or ownership statements representing the Warrants or Warrant Shares issued upon the exercise of the Warrants (and any replacement certificate or ownership statement) issued prior to four months and one day following the Issue Date, if any, will bear a legend substantially in the following form:

"WITHOUT THE PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL JUNE 12, 2021."

- (iv) Each Global Security originally issued in Canada and held by CDS, and each Global Security issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Corporation may prescribe from time to time:

"UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO POET TECHNOLOGIES INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

Notwithstanding any other provisions of this Indenture, in processing and registering transfers of Warrants, no duty or responsibility whatsoever shall rest upon the Warrant Agent to determine the compliance by any transferor or transferee with the terms of the legend contained in subsection 2.01(f), or with the relevant securities laws or regulations.

## **Section 2.02 Terms and Delivery of Warrants**

- (a) Terms: Each one Warrant issued hereunder shall entitle the holder thereof to subscribe for and purchase one Warrant Share at the Exercise Price at any time after the Issue Date until the Expiry Time, subject to subsection 2.02(d) hereof.
- (b) Acceleration: Notwithstanding any other provisions herein, if, on or following the date that is four months and one day after the Issue Date and prior to the Expiry Date, the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange (or such other principal exchange or market where the Common Shares are then listed or quoted for trading) exceeds the Acceleration Trigger Price for a period of 10 consecutive Trading Days (an "**Acceleration Event**"), the Corporation may, at its option, accelerate the Expiry Date to a date that is not less than 30 days following written notice to the Warrantholders, in the form of a press release (the "**Acceleration Notice**"), provided that such notice is issued within 10 Business Days of the Acceleration Event. The Corporation shall, within eight days of the Acceleration Notice, give a written notice to the Warrant Agent and the Warrant Agent shall provide notice to the Warrantholders, in accordance with notice provisions provided in ARTICLE Eleven and ARTICLE Twelve herein, of the accelerated Expiry Date not less than 15 days prior to the accelerated Expiry Date. Any unexercised Warrants shall automatically expire at the end of the accelerated Expiry Date.
- (c) Delivery of Warrants: Pursuant to a Written Request of the Corporation: (i) with respect to Warrants authorized to be issued in subsection 2.01(a) hereof that are issued in certificated form, Warrant Certificates in definitive form representing such Warrants shall be created and executed by the Corporation, shall be Authenticated by the Warrant Agent and shall be delivered by the Warrant Agent to the Corporation, or to the order of the Corporation in accordance with subsection 2.01(c) hereof; and (ii) with respect to Warrants authorized to be issued in subsection 2.01(a) hereof that are issued in uncertificated form, the Warrant Agent shall Authenticate such Warrants; and, in either case, the Warrant Agent shall record the name of the holder of such Warrants on the Warrantholder register maintained by the Warrant Agent pursuant to subsection 2.08(a) hereof.
- (d) Adjustment: The Exercise Price and the number of Common Shares which can be subscribed for and purchased pursuant to the Warrants shall be adjusted in the events and in the manner specified in Article Four hereof.
- (e) No Fractional Warrants: No fractional Warrants shall be issued or otherwise provided for, and a Warrantholder shall not be entitled to subscribe for or purchase a fractional Common Share or be entitled to any cash or other consideration such holder might otherwise be entitled to based upon the holding of such Warrants. If the number of Warrants to which a Warrantholder would otherwise be entitled is not a whole number, then the number of Warrants to be issued to such Warrantholder shall be rounded down to the next whole number and the Warrantholder shall not be entitled to any compensation in respect of such fractional Warrant.

- (f) Splits, Combinations: Subject to Section 2.07 hereof, the number of Warrants represented by any Warrant Certificate or any Warrant Certificates may be split, combined or exchanged for a Warrant Certificate or Warrant Certificates representing the same number of Warrants in the aggregate.
- (g) Issue of Common Shares: The Corporation shall issue Common Shares upon the exercise of Warrants in accordance with the provisions hereof.

### **Section 2.03 Warrantholder not a Shareholder**

Nothing in this Indenture nor in the holding of a Warrant, whether represented by a Warrant Certificate or otherwise, shall be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of Shareholders or any other proceedings of the Corporation or the right to receive dividends or other distributions.

### **Section 2.04 Signing of Warrant Certificate**

Warrant Certificates shall be signed by the Chief Executive Officer, the Chief Operating Officer or the Chief Financial Officer of the Corporation or any Director and may, but need not be, under the seal of the Corporation or a reproduction thereof (which shall be deemed to be the seal of the Corporation). The signatures of such officers or Directors may be mechanically reproduced in facsimile and Warrant Certificates bearing such facsimile signatures shall be binding upon the Corporation as if they had been manually signed by such officers or Directors. Notwithstanding that any of the persons whose manual or facsimile signature appears on any Warrant Certificate as one of such officers or Directors may no longer hold office at the date of such Warrant Certificate or at the date of the Authentication or delivery thereof, any Warrant Certificate signed as aforesaid and Authenticated by the Warrant Agent shall be valid and binding upon the Corporation and the holder thereof shall be entitled to the benefits of this Indenture.

### **Section 2.05 Authentication by the Warrant Agent**

- (a) Authentication of Warrant Certificates: Each Warrant Certificate shall be Authenticated manually by the Warrant Agent. No Warrant Certificate shall be issued or, if issued, shall be valid for any purpose or entitle the holder to the benefits hereof until it has been Authenticated by the Warrant Agent by means of a manual signature of one or more of its authorized signatories, substantially in the form of the countersignature contained on the Warrant Certificate or in some other form approved by the Corporation and the Warrant Agent and such Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that the Warrant Certificate so Authenticated has been duly issued hereunder and that the holder thereof is entitled to the benefits hereof.
- (b) Authentication of Uncertificated Warrants: The Warrant Agent shall Authenticate Uncertificated Warrants (whether upon original issuance, exchange, registration of transfer or otherwise). No Warrant shall be considered issued or shall be valid or obligatory or shall entitle the holder thereof to the benefits of this Indenture until it has been Authenticated by the Warrant Agent by completing its Internal Procedures (and the Corporation shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Uncertificated Warrants under this Indenture) and such Authentication by the Warrant Agent shall be conclusive evidence as against the Corporation that such Uncertificated Warrant so Authenticated has been duly issued hereunder and that the holder or holders thereof are entitled to the benefits hereof. The

register of Warranholders shall be final and conclusive evidence as to all matters relating to Uncertificated Warrants with respect to which this Indenture requires the Warrant Agent to maintain records or accounts. In the case of differences between the register at any time and any other time, the register at the later time shall be controlling, absent manifest error.

- (c) No Representation: Authentication by the Warrant Agent shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or of the Warrant Certificates or Uncertificated Warrants (except the due Authentication thereof) or as to the performance by the Corporation of its obligations under this Indenture, and the Warrant Agent shall in no respect be liable or answerable for the use made of the Warrant Certificates or Uncertificated Warrants or any of them or of the consideration therefor, except as otherwise specified herein.

**Section 2.06 Issue in Substitution for Lost Warrant Certificate**

- (a) Substitution: In case any Warrant Certificate issued and Authenticated hereunder shall become mutilated, lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue and thereupon the Warrant Agent shall Authenticate and deliver a new certificate for the same class of Warrants and of like date and tenor, and bearing the same legends, if any, as the one mutilated, lost, destroyed or stolen (i) in exchange for and in place of and upon cancellation of such mutilated certificate, or (ii) in lieu of and in substitution for such lost, destroyed or stolen certificate and the substituted certificate shall be in a form approved by the Warrant Agent and shall be entitled to the benefit hereof and shall rank equally in accordance with its terms with all Warrants of the same class either issued or to be issued hereunder.
- (b) Issue of New Warrant Certificates: The applicant for the issue of a new Warrant Certificate pursuant to subsection 2.06(a) hereof shall bear the reasonable cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft, as the case may be, of the Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent in their discretion, acting reasonably, and such applicant may, if requested, also be required to furnish an indemnity and a surety bond in amount and form satisfactory to the Corporation and the Warrant Agent in their discretion, acting reasonably, to save each of them harmless, and shall pay the reasonable expenses, charges and any taxes applicable thereto of the Corporation and the Warrant Agent in connection therewith.

**Section 2.07 Exchange of Warrant Certificates**

- (a) Exchange: Warrant Certificates issued and Authenticated hereunder representing any specified number of Warrants to subscribe for and purchase Warrant Shares may, upon compliance with the reasonable requirements of the Warrant Agent, be exchanged for Warrant Certificates representing in the aggregate the same number of Warrants and entitling the holder thereof to subscribe for and purchase an equal aggregate number of Warrant Shares at the same Exercise Price and on the same terms as the Warrant Certificates so exchanged.
- (b) Places of Exchange: Warrant Certificates may be exchanged at the principal office of the Warrant Agent in the City of Toronto, Ontario, or at any other place that is designated by the Corporation with the approval of the Warrant Agent. Any Warrant Certificate tendered



for exchange shall be surrendered to the Warrant Agent and cancelled by the Warrant Agent. The Corporation shall sign and the Warrant Agent shall Authenticate all Warrant Certificates necessary to carry out such exchanges.

- (c) Charges for Exchange: For each Warrant Certificate exchanged, the Warrant Agent, except as otherwise herein provided, may charge the Warrantholder a reasonable amount for each new Warrant Certificate issued. Payment for any and all taxes or governmental or other charges required to be paid shall be made by the Warrantholder requesting such exchange, as a condition precedent thereto.

## **Section 2.08 Registration and Transfer of Warrants**

- (a) Register: The Corporation will cause to be kept by the Warrant Agent at its principal office in Toronto, Ontario:
- (i) a register of holders in which shall be entered in alphabetical order the name and address of each holder of Warrants, whether Certificated Warrants or Uncertificated Warrants, the date of Authentication thereof and the number of Warrants held by such holder;
  - (ii) if represented by a Warrant Certificate, the unique number or code assigned to and imprinted thereon and, if an Uncertificated Warrant, the unique number or code assigned thereto, if any;
  - (iii) whether any of such Warrants have been cancelled; and
  - (iv) a register of transfers in which all transfers of Warrants and the date and other particulars of each such transfer shall be entered.
- (b) Correction of Certain Errors: Once an Uncertificated Warrant has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect exercise or proper instructions to the Warrant Agent from the holder thereof as provided herein, except that the Warrant Agent may act unilaterally to make purely administrative changes internal to the Warrant Agent and changes to correct errors. Each Person who becomes a holder of an Uncertificated Warrant, by his, her or its acquisition thereof shall be deemed to have irrevocably (i) consented to the foregoing authority of the Warrant Agent to make such corrections and (ii) agreed to pay to the Warrant Agent or to the Corporation, as applicable, promptly upon written demand, the full amount of all loss and reasonable expense (including without limitation reasonable legal fees of the Corporation and the Warrant Agent), plus interest at an appropriate then prevailing rate of interest to the Warrant Agent, sustained by the Corporation or the Warrant Agent as a direct result of an error made by the holder if, but only if, and only to the extent that, such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Warrant Agent; provided, however, that no Person who is a bona fide purchaser for value of such Warrants shall have any such obligation to the Warrant Agent.

- (c) Valid Transfers: No transfer of any Warrant will be valid unless entered on the appropriate register of transfers referred to in subsection 2.08(a) hereof, or on any branch registers maintained pursuant to subsection 2.08(h) hereof, upon in the case of a Certificated Warrant, surrender to the Warrant Agent of the Warrant Certificate representing such Warrant, duly endorsed by, or accompanied by a written instrument of transfer in the form attached to the Warrant Certificate, or in such other form satisfactory to the Warrant Agent, executed by the registered holder or his executors, administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and executed satisfactory to the Warrant Agent and upon compliance with the above requirements, such other reasonable requirements as the Warrant Agent may prescribe and all applicable securities legislation and requirements of regulatory authorities, such transfer will be recorded on the appropriate register of transfers by the Warrant Agent. In the case of a Warrant represented by a DRS Advice, any transfer of Warrants will be registered upon the surrender to the Warrant Agent of such DRS Advice representing such Warrant surrendering to the Warrant Agent at the Warrant Agency, DRS Advices representing the Warrants to be transferred together with a duly executed form of transfer as set forth in Schedule A. In the case of a Warrant represented by a Global Security, any transfer of Warrants is to be completed in accordance with the procedures described in Section 2.11 hereof and all applicable securities legislation and requirements of regulatory authorities. In the case of the transfer of a Certificated Warrant or a DRS Advice, upon compliance with such requirements, the Warrant Agent shall issue a Warrant Certificate or DRS Advice, as applicable, to the transferee of the Certificated Warrant or DRS Advice, as applicable, representing the Warrants so transferred.
- (d) Register of Transfers: The transferee of any Warrant will, upon compliance with the requirements of subsection 2.08(c) hereof (and, as applicable, subsection 2.08(j) hereof) and upon compliance with all other conditions in respect thereof required by this Indenture or by law, be entitled to be entered on the appropriate register of holders referred to in subsection 2.08(a) hereof, or on any branch registers of holders maintained pursuant to subsection 2.08(h) hereof, as the owner of such Warrant free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous holder of such Warrant, except in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.
- (e) Refusal of Registration: The Corporation will be entitled, and may direct the Warrant Agent, to refuse to recognize any transfer, or enter the name of any transferee, of any Warrant on the registers referred to in subsection 2.08(a) hereof, or on any branch registers maintained pursuant to subsection 2.08(h) hereof, if such transfer would constitute a violation of the securities laws of any jurisdiction or the rules, regulations or policies of any regulatory authority having jurisdiction.
- (f) No Notice of Trusts: Subject to applicable law, neither the Corporation nor the Warrant Agent will be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Warrant, and may transfer any Warrant on the direction of the Person registered as the holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.
- (g) Inspection: The registers referred to in subsection 2.08(a) hereof, and any branch registers maintained pursuant to subsection 2.08(h) hereof, will at all reasonable times be open for inspection by the Corporation and any Warrantholder. The Warrant Agent will from time to time when requested to do so in writing by the Corporation or any Warrantholder (upon

payment of the reasonable charges of the Warrant Agent), furnish the Corporation or such Warrantholder with a list of the names and addresses of holders of Warrants (in the case of a Warrantholder of the same class as such Warrantholder) entered on such registers and showing the number of Warrants (in the case of a Warrantholder of the same class as such Warrantholder) held by each such holder thereof.

- (h) Location of Registers: The Corporation may at any time and from time to time change the place at which the registers referred to in subsection 2.08(a) hereof are kept, cause branch registers of holders or transfers to be kept at other places and close such branch registers or change the place at which such branch registers are kept, in each case subject to the approval of the Warrant Agent. Notice of all such changes or closures shall be given by the Corporation to the Warrant Agent and to holders of Warrants in accordance with Article Eleven hereof.
- (i) Reliance by Warrant Agent: The Warrant Agent shall have no obligation to ensure or verify compliance with any Applicable Legislation or regulatory requirements on the issue, exercise or transfer of any Warrants or any Common Shares or other securities issued upon the exercise of any Warrants. The Warrant Agent shall be entitled to process all proffered transfers and exercises of Warrants upon the presumption that such transfers or exercises are permissible pursuant to all Applicable Legislation and regulatory requirements and the terms of the Indenture and the related Warrant Certificates in the absence of *prima facie* evidence to the contrary. The Warrant Agent may assume for the purposes of this Indenture that the address on the register of Warrantholders of any Warrantholder is the actual address of such Warrantholder and is also determinative of the residency of such Warrantholder and that the address of any transferee to whom any Warrants or Common Shares or other securities issuable upon the exercise of any Warrants are to be registered, as shown on the transfer document, is the actual address of the transferee and is also determinative of the residency of the transferee.
- (j) Transfer of Warrant Certificate Bearing U.S. Warrant Legend: If a Warrant tendered for transfer bears the U.S. Legend, the Warrant Agent shall not register such transfer unless the transferor has provided the Warrant Agent with the Warrant Certificate and: (A) the transfer is to the Corporation; (B) the transfer is made outside of the United States in accordance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply and in compliance with applicable local laws and regulations, and the transferor delivers to the Warrant Agent a declaration substantially in the form set forth in Schedule B to this Warrant Indenture, or in such other form the Corporation may from time to time prescribe, together with such other evidence of the availability of an exemption (which may, without limitation, include an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation and the Warrant Agent) as the Warrant Agent may reasonably require; (C) the transfer is made in compliance with the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144 or Rule 144A thereunder, if available, and in each case in accordance with applicable state securities laws or "blue sky" laws; (D) the transfer is made in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws; or (E) the transfer is made pursuant to an effective registration statement under the U.S. Securities Act that is available for the resale of the Warrants, provided that, it has prior to any transfer under (C) or (D) above furnished to the Corporation an opinion of counsel in form and substance reasonably satisfactory to the Corporation to such effect. In relation to a transfer under (C) or (D) above, unless the Corporation receives an opinion of counsel, of recognized standing, in form and substance

reasonably satisfactory to the Corporation to the effect that the U.S. Legend is no longer required on the Warrant Certificates representing the transferred Warrants, the Warrant Certificates, as applicable, received by the transferee will continue to bear the U.S. Legend.

**Section 2.09 Ownership of Warrants**

- (a) Owner: Subject to applicable law, the Corporation and the Warrant Agent may deem and treat the Person in whose name any Warrant is registered on the register of Warrantholders to be maintained by the Warrant Agent in accordance with subsection 2.08(a) hereof as the absolute owner of such Warrant for all purposes, and such Person will for all purposes of this Indenture be and be deemed to be the absolute owner thereof, and the Corporation and the Warrant Agent will not be affected by any notice or knowledge to the contrary except as required by statute or by order of a court of competent jurisdiction.
- (b) Rights of Registered Holder: Subject to applicable law, the registered holder of any Warrant will be entitled to the rights evidenced thereby free from all equities and rights of set-off or counterclaim between the Corporation and the original or any intermediate holder thereof and all Persons may act accordingly, and the issue and delivery to any such registered holder of the Warrant Shares issuable pursuant thereto will be a good discharge to the Corporation and the Warrant Agent therefor and neither the Corporation nor the Warrant Agent will be bound to inquire into the title of any such registered holder.

**Section 2.10 Warrants to Rank *Pari Passu***

All Warrants shall rank *pari passu*, whatever may be the actual date of issue of any Warrants.

**Section 2.11 Book-Based System Warrants**

- (a) Registration of beneficial interests in and transfers of Warrants held by CDS shall be made through the book-based system, subject to Applicable Procedures, and no Warrant Certificates shall be issued in respect of such Warrants except as set out in this Section 2.11, where physical certificates evidencing ownership in such securities are required or as may be requested by CDS from time to time. Warrants in the book-based system shall be evidenced by a Global Security as contemplated in subsection 2.01(e) hereof.
- (b) For so long as Warrants are represented by a Global Security, if any of the following events occurs:
  - (i) CDS notifies the Corporation that it is unwilling or unable to continue as depository of the Warrants represented by a Global Security and the Corporation is unable to identify and engage a qualified successor,
  - (ii) the Corporation determines that CDS is no longer willing, able or qualified to discharge properly its responsibilities as depository of the Warrants represented by a Global Security and the Corporation is unable to identify and engage a qualified successor,
  - (iii) CDS ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable to locate a qualified successor, or

- (iv) the Corporation or CDS is required by applicable laws to take the action contemplated in this subsection 2.11(b),

Warrant Certificates shall be issued in exchange for the Global Security, or the applicable portion thereof, in accordance with Section 2.08 hereof but subject to the provisions of this Section 2.11. All such Warrant Certificates issued and exchanged pursuant to this subsection 2.11(b) shall be registered in such names and in such denominations as CDS shall instruct the Warrant Agent; provided that the aggregate number of Warrants represented by such Warrant Certificates shall be equal to the aggregate number of Warrants represented by the Global Security so exchanged, and the Global Security so exchanged, or the applicable portion thereof, shall be cancelled by the Warrant Agent.

- (c) All references herein to actions by, notices given or payments made to Warranholders shall, where Warrants are held through a Global Security, refer to actions taken by, or notices given or payments made to, CDS upon instruction from CDS Participants in accordance with Applicable Procedures. For the purposes of any provision hereof requiring or permitting actions with the consent of or at the direction of Warranholders evidencing a specified percentage of the aggregate Warrants outstanding, such direction or consent may be given by Beneficial Owners acting through CDS and the CDS Participants owning Warrants evidencing the requisite percentage of the Warrants. The rights of Beneficial Owners shall be limited to those established by applicable laws and agreements between CDS and the CDS Participants and between such CDS Participants and Beneficial Owners and must be exercised through a CDS Participant in accordance with the Applicable Procedures.
- (d) Each of the Warrant Agent and the Corporation may deal with CDS for all purposes as the authorized representative of the respective Warranholders who are Beneficial Owners and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations hereunder. For so long as Warrants are represented by a Global Security, if any notice or other communication is required to be given to Warranholders, the Warrant Agent will give such notices and communications to CDS or its nominee.
- (e) Transfers of beneficial ownership in any Warrant represented by a Global Security will be effected only (i) with respect to the interest of a CDS Participant, through records maintained by CDS or its nominee for such Global Security, and (ii) with respect to the interest of any Person other than a CDS Participant, through records maintained by CDS Participants. Beneficial Owners who are not CDS Participants but who desire to sell or otherwise transfer ownership of or any other interest in Warrants represented by such Global Security may do so through a CDS Participant.
- (f) Notwithstanding anything herein or in the terms of the Warrant Certificates to the contrary, neither the Corporation nor the Warrant Agent nor any agent thereof shall have any responsibility or liability for (i) the records maintained by CDS relating to any ownership interests or any other interests in the Warrants or the depository system maintained by CDS, or payments made on account of any ownership interest or any other interest of any Person in any Warrant represented by any Global Security (other than the applicable depository or its nominee), (ii) maintaining, supervising or reviewing any records of CDS or any CDS Participant relating to any such interest, or (iii) any advice or representation made or given by CDS or those contained herein that relate to the rules and regulations of CDS, including the Applicable Procedures, or any action to be taken by CDS on its own direction or at the direction of any CDS Participant.

- (g) The provisions of Section 2.08 hereof with respect to the transfer of Warrants are subject to the provisions of this Section 2.11.

The Corporation may terminate the application of this Section 2.11 in its sole discretion on written notice to the Warrant Agent.

### **ARTICLE THREE EXERCISE OF WARRANTS**

#### **Section 3.01 Method of Exercise of Warrants**

- (a) Exercise: Subject to Section 3.01 hereof, the holder of any Warrant may exercise the right thereby conferred on such holder to subscribe for and purchase Warrant Shares by surrendering, during regular business hours of the Warrant Agent at its offices in the City of Toronto, Ontario, after the date of issue of the Warrant but prior to the Expiry Time, to the Warrant Agent at the place specified in subsection 3.01(d) hereof or any other place or places that may be designated by the Corporation with the approval of the Warrant Agent, the Warrant Certificate or DRS Advices, with a properly completed and executed subscription form in substantially the form contained on the Warrant Certificate or DRS Advice which form is attached hereto as FORM 1, together with a certified cheque, bank draft or money order in lawful money of Canada payable to or to the order of the Corporation in an amount equal to the product obtained by multiplying the Exercise Price by the number of Common Shares subscribed for pursuant to such Warrant Certificate or DRS Advice. A Warrant Certificate or DRS Advice with the duly completed and executed subscription form, together with the certified cheque, bank draft or money order, shall be deemed to be surrendered only upon delivery thereof or, if sent by mail or other means of transmission, upon receipt thereof, in each case at the office of the Warrant Agent provided for in subsection 3.01(d) hereof or any such other place designated by the Corporation with the approval of the Warrant Agent.
- (b) Exercise by Beneficial Owner: No Warrant represented by a Global Security may be exercised unless, prior to such exercise, the holder of such Warrant shall have taken all other action necessary to exercise such Warrant in accordance with this Indenture and the Applicable Procedures. Notwithstanding anything to the contrary contained herein and subject to the Applicable Procedures in force from time to time, a Beneficial Owner of Warrants represented by a Global Security who desires to exercise his or her Warrants must do so by causing a CDS Participant to deliver to CDS, on behalf of the Beneficial Owner, a written notice of the Beneficial Owner's intention to exercise Warrants in a manner acceptable to CDS. Forthwith upon receipt by CDS of such notice, as well as payment in an amount equal to the product obtained by multiplying the Exercise Price by the number of Warrant Shares subscribed for, CDS shall deliver to the Warrant Agent a Confirmation. An electronic exercise of the Warrants initiated by a CDS Participant through a book based registration system, including CDSX, shall constitute a representation to both the Corporation and the Warrant Agent that the Beneficial Owner at the time of exercise of such Warrants: either (a) (i) is not present in the United States; (ii) is not a U.S. Person and is not exercising such Warrants for the account or benefit of a U.S. Person or a person in the United States; (iii) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of a U.S. Person or a person in the United States; (iv) did not execute or deliver the notice of the owner's intention to exercise such Warrants in the United States; (v) did not request delivery in the United States of the Warrant Shares issuable upon the exercise of the Warrants, and (vi) has, in all other respects, complied

with the terms of Regulation S under the U.S. Securities Act in connection with such exercise, or (b) is a Qualified Institutional Buyer that (i) was the original purchaser of Units that include the Warrants being exercised, (ii) executed and delivered a Subscription Agreement to the Corporation in connection with its purchase of such Units (as a Qualified Institutional Buyer) and (iii) is certifying in connection with its exercise of the Warrants that the representations, warranties and covenants made thereby (as a Qualified Institutional Buyer) in such Subscription Agreement remain true and correct. If the CDS Participant is not able to make or deliver the foregoing representation by initiating the electronic exercise of the Warrants, then (i) such Warrants shall be withdrawn from the book based registration system, including CDSX, by the CDS Participant; (ii) an individually registered Warrant Certificate shall be issued by the Warrant Agent to the Beneficial Owner or CDS Participant and (iii) the exercise procedures set forth in subsections 3.01(a), 3.01(c) and 3.01(g) shall be followed.

Payment representing the Exercise Price must be provided to the appropriate office of the CDS Participant in a manner acceptable to it. A notice in form acceptable to the CDS Participant and payment from such Beneficial Owner should be provided to the CDS Participant sufficiently in advance so as to permit the CDS Participant to deliver notice and payment to CDS and for CDS in turn to deliver notice and payment to the Warrant Agent prior to the Expiry Time. CDS will initiate the exercise by way of the Confirmation and forward the Exercise Price electronically to the Warrant Agent and the Warrant Agent will execute the exercise by causing the Transfer Agent to issue to CDS through the book-based system the Common Shares to which the exercising Beneficial Owner is entitled pursuant to the exercise. Any expense associated with the exercise process will be for the account of the Beneficial Owner exercising the Warrants and/or the CDS Participant exercising the Warrants on its behalf.

By causing a CDS Participant to deliver to CDS a written notice of the Beneficial Owner's intention to exercise Warrants, the Beneficial Owner shall be deemed to have irrevocably surrendered his or her Warrants so exercised and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise and the receipt of underlying Warrant Shares in connection with the obligations arising from such exercise.

Any notice of the Beneficial Owner's intention to exercise Warrants which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the exercise to which it relates shall be considered for all purposes not to have been made thereby. A failure by a CDS Participant to exercise or to give effect to the settlement thereof in accordance with the Beneficial Owner's instructions will not give rise to any obligations or liability on the part of the Corporation or Warrant Agent to the CDS Participant or the Beneficial Owner.

Any Confirmation received by the Warrant Agent after business hours on any Business Day other than the Expiry Date will be deemed to have been received by the Warrant Agent on the next following Business Day. The Confirmation (together with payment representing the Exercise Price for the Common Shares for which the Warrant is being exercised) in connection with any exercise by a Beneficial Owner must be received by the Warrant Agent prior to the Expiry Time. Any Warrant with respect to which a Confirmation (together with payment representing the Exercise Price for the Warrant Shares for which the Warrant is being exercised) is not received by the Warrant Agent before the Expiry Time shall be deemed to have expired and become void and all rights with respect to such Warrant shall terminate and be cancelled.

- (c) Subscription Form Completion: Any subscription form referred to in subsection 3.01(a) hereof shall be signed by the Warrantholder, or his executors, administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Warrant Agent, acting reasonably, and shall specify (A) the number of Warrant Shares which the holder desires to subscribe for and purchase, such number, in the case of the exercise of Certificated Warrants or Warrants represented by DRS Advices, being not more than the number which the holder is entitled to subscribe for and purchase pursuant to the Warrant Certificate or DRS Advice, as applicable, surrendered, (B) the Person or Persons in whose name or names such Warrant Shares are to be issued, (C) the address or addresses of such Person or Persons, or the office of the Warrant Agent at which the Warrant Certificate or DRS Advice was surrendered and where the certificates representing such Warrant Shares, or other appropriate form of evidence of ownership, are to be sent, and (D) the number of Warrant Shares to be issued to each such Person if more than one is so specified. If any of the Common Shares subscribed for are to be issued to a Person or Persons other than the Warrantholder, the Warrantholder shall pay to the Warrant Agent all applicable transfer or similar taxes, if any, and the Corporation and the Warrant Agent shall not be required to issue or deliver certificates representing Common Shares unless or until such Warrantholder shall have paid to the Warrant Agent the amount of such tax, if any, or shall have established to the satisfaction of the Warrant Agent, acting reasonably, that such tax has been paid or that no tax is due. For the avoidance of doubt, Warrant Shares may only be issued to a Person or Persons other than the Warrantholder in compliance with the terms of this Indenture and in particular subsection 2.01(f), and Section 2.08 of this Indenture.
- (d) Places for Exercise: The Corporation has designated the Warrant Agent, at its principal office in the City of Toronto, Ontario, as the place at which the Warrants may be exercised. The Corporation will give notice to the Warrantholders pursuant to Article Eleven hereof of the location of any other place appointed by the Corporation and approved by the Warrant Agent and of the change in the location of any new or existing place where Warrants may be exercised.
- (e) Accounting to Corporation and Disbursement of Monies: The Warrant Agent shall as soon as practicable account to the Transfer Agent and the Corporation with respect to Warrants exercised. All such monies, and any securities or other instruments, from time to time received by the Warrant Agent, shall be disbursed to the Corporation in accordance with this Indenture. Within five Business Days of receipt thereof the Warrant Agent shall forward to the Corporation (or to an account or accounts of the Corporation designated in writing by the Corporation for that purpose) all monies received through the exercise of Warrants.
- (f) Record of Exercise: The Warrant Agent shall record the particulars of the Warrants exercised for Common Shares which particulars shall include the names and addresses of the Persons who become holders of Common Shares, if any, on exercise, the number of Common Shares issued, the Exercise Date and the Exercise Price. Within five Business Days of each Exercise Date, the Warrant Agent shall provide such particulars in writing to the Corporation.
- (g) U.S. Warrant Exercises. In addition to completing the subscription form in substantially the form contained on the Warrant Certificate, a U.S. Warrantholder must provide: (a) a completed and executed U.S. Warrantholder Letter; or (b) an opinion of counsel, of recognized standing, in form and substance reasonably satisfactory to the Corporation and



the Warrant Agent, that the exercise is exempt from the registration requirements of the U.S. Securities Act and applicable securities laws of any state of the United States.

**Section 3.02 Effect of Exercise of Warrants**

- (a) Effect of Exercise: Upon compliance by the holder of any Warrants with the provisions of Section 3.01 hereof, but subject to the provisions of subsection 3.03(b) hereof, the number of Common Shares subscribed for and purchased shall be deemed to have been issued and the Person or Persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of record of such Common Shares on the Exercise Date thereof unless the transfer books of the Corporation shall be closed on such date, in which case the Common Shares subscribed for and purchased shall be deemed to have been issued, and such Person or Persons shall be deemed to have become the holder or holders of record of such Common Shares on the date on which such transfer books are reopened but such Common Shares shall be issued at the Exercise Price in effect on the Exercise Date. The Warrants so exercised will be void and of no value or effect and the Warrantholder will have no further right thereunder, other than the right to receive Common Shares in respect of the Warrants duly exercised.
- (b) Issue of Share Certificates: As soon as practicable, and in any event no later than the fifth Business Day on which the transfer books of the Corporation have been opened after the exercise of a Warrant as aforesaid, the Corporation shall forthwith (A) cause to be mailed or delivered, electronically or otherwise, to the Person or Persons in whose name or names the Common Shares so subscribed for and purchased are to be issued, as specified in the completed subscription instruction, or (B) if specified in such subscription instruction, cause to be delivered to such Person or Persons at the office of the Warrant Agent where such Warrant Certificate was surrendered, a certificate or certificates, or any other appropriate evidence of the issuance of Common Shares, representing or evidencing the appropriate number of Common Shares to which the Warrantholder is entitled and elected to subscribe for and purchase pursuant to the provisions of Section 3.01 hereof.

**Section 3.03 Subscription for Less than Entitlement**

- (a) Exercise for Less Than Maximum: The holder of any Warrants may subscribe for and purchase a number of Common Shares less than the maximum number which the holder is entitled to subscribe for and purchase, provided that in no event shall fractional Common Shares be issued in connection with the exercise of Warrants. In such event, the holder thereof upon exercise thereof shall, in addition, be entitled to receive a new Warrant Certificate complying with Section 2.02 hereof, or other appropriate evidence of Warrants in the case of Uncertificated Warrants, in respect of the balance of the Warrants which were not then exercised.
- (b) No Fractional Common Shares: Notwithstanding any adjustment provided for in Article Four hereof or otherwise, the Corporation shall not be required upon the exercise of a Warrant to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares. If the number of Common Shares to which a Warrantholder would otherwise be entitled upon the exercise of a Warrant is not a whole number then, subject to Section 3.04 hereof, the number of Common Shares to be issued shall be rounded down to the next whole number and the holder of such Warrants shall not be entitled to any compensation in respect of any fractional Common Share.

### **Section 3.04 Warrant Certificates for Fractions of Common Shares**

To the extent that the holder of a Warrant is entitled to receive on the exercise or partial exercise thereof a fraction of a Common Share, such right may only be exercised in respect of such fraction in combination with another Warrant which in the aggregate entitles the Warrantholder to receive a whole number of Common Shares.

### **Section 3.05 Expiration of Warrants**

After the Expiry Time all rights under any Warrant in respect of which the right of subscription and purchase therein and herein provided shall not theretofore have been exercised shall wholly cease and terminate and such Warrant shall be void, of no force or effect and of no value whatsoever.

### **Section 3.06 Cancellation U.S. Prohibition on Exercise; Legended Certificates**

- (a) The Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may not be exercised by or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States unless an exemption from such registration requirements is available.
- (b) Warrants may not be exercised except in compliance with the requirements set forth herein, in the Warrant Certificate and in the subscription form contained on the Warrant Certificate (FORM 1).
- (c) Warrant Shares issued upon the exercise of any Certificated Warrant (i) which bears the U.S. Legend, (ii) other than pursuant to Box A or Box B(i) of the subscription form contained on the Warrant Certificate (FORM 1), or (iii) or pursuant to Box A or Box B(i) of the subscription form contained on the Warrant Certificate in the event that the Corporation determines that Rule 905 of Regulation S applies to such issuance shall be issued in certificated form and, upon such issuance, shall bear the following legend (the "**U.S. Common Share Legend**"):
  - "THE OFFER AND SALE OF SECURITIES REPRESENTED HEREBY [AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT AND IS AVAILABLE FOR RESALE OF THE SECURITIES, OR (D) IN COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, INCLUDING RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER FURTHER UNDERSTANDS AND AGREES THAT IN THE EVENT OF A TRANSFER PURSUANT TO THE FOREGOING CLAUSE (B) OR (D), THE CORPORATION WILL REQUIRE A LEGAL OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE SATISFACTORY TO THE CORPORATION THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION

UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that, if any such securities are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply, and in compliance with Canadian laws and regulations, the legend set forth above may be removed by providing an executed declaration to the Corporation's registrar and transfer agent in such form as the Corporation may prescribe from time to time; and provided, further, that, if any such securities are being sold pursuant to Rule 144 under the U.S. Securities Act, if available, the legend may be removed by delivery to the registrar and transfer agent of the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, to the effect that such legend is no longer required under applicable requirements of the U.S. Securities Act and applicable state securities laws.

- (d) Notwithstanding anything to the contrary contained herein or in any Warrant or other agreement or instrument, the Corporation shall be entitled to cause the U.S. Common Share Legend to be affixed to, or marked with respect to, any Common Shares issued upon the exercise of any Warrant at such time as the Corporation is not a "foreign issuer" (as defined in Regulation S) in the event that the Corporation determines that such affixing or marking of the U.S. Common Share Legend is then necessary to comply with U.S. securities laws.

### **Section 3.07 Surrender of Warrant Certificates**

All Warrant Certificates surrendered or deemed to be surrendered to the Warrant Agent pursuant to Section 2.06, Section 2.07, Section 2.08 or Section 3.01 hereof will be cancelled by the Warrant Agent. The Warrant Agent will, upon request by the Corporation, furnish the Corporation with a certificate identifying the Warrant Certificates so cancelled and the number of Warrants evidenced thereby.

## **ARTICLE FOUR ADJUSTMENTS**

### **Section 4.01 Adjustment of Exercise Price and Number of Warrant Shares Purchasable Upon Exercise**

The Exercise Price and the number of Warrant Shares purchasable upon the exercise of a Warrant shall be subject to adjustment from time to time in the events and in the manner provided in the following subsections:

- (a) Stock Dividend; Distribution of Common Shares; Subdivision; Consolidation: If at any time after the Effective Date but prior to the Expiry Date, the Corporation shall:
- (i) fix a record date for the issue of, or issue, Common Shares or securities exchangeable for or convertible into Common Shares to the holders of all or substantially all of the outstanding Common Shares as a stock dividend or other distribution, other than as a Dividend Paid In The Ordinary Course,
  - (ii) subdivide, redivide or change the outstanding Common Shares into a greater number of Common Shares, or

- (iii) consolidate, reduce or combine the outstanding Common Shares into a lesser number of Common Shares,

(any of such events in subsections 4.01(a)(i), (ii) and (iii) above, being herein called a "**Common Share Reorganization**"), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Common Shares are determined for the purposes of the Common Share Reorganization and the effective date of the Common Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

- A. the numerator of which shall be the number of Common Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Common Share Reorganization; and
- B. the denominator of which shall be the number of Common Shares which will be outstanding immediately after giving effect to such Common Share Reorganization (including in the case of a distribution of securities exchangeable for or convertible into Common Shares the number of Common Shares that would have been outstanding had such securities been exchanged for or converted into Common Shares on such date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 4.01(a) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. Any Warrantholder who has not exercised his right to subscribe for and purchase Common Shares on or prior to the record date of such stock dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter shall be entitled to receive and shall accept in lieu of the number of Common Shares then subscribed for and purchased by such Warrantholder, at the Exercise Price determined in accordance with this subsection 4.01(a) the aggregate number of Common Shares that such Warrantholder would have been entitled to receive as a result of such Common Share Reorganization, if, on such record date or effective date, as the case may be, such Warrantholder had been the holder of record of the number of Common Shares so subscribed for and purchased.

- (b) Issue of Rights, Options or Warrants: If at any time after the Effective Date but prior to the Expiry Date, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share to the holder (or in the case of securities exchangeable for or convertible into Common Shares, at an exchange or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Common Shares on such record date (any of such events being called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the applicable Exercise Price in effect on such record date by a fraction:

- (i) the numerator of which shall be the aggregate of
  - A. the number of Common Shares outstanding on the record date for the Rights Offering, and
  - B. the quotient determined by dividing
    - I. either (a) the product of the number of Common Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Common Shares are offered, or (b) the product of the exchange or conversion price of the securities so offered and the number of Common Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by
    - II. the Current Market Price of the Common Shares as of the record date for the Rights Offering; and
- (ii) the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Common Shares the number of Common Shares for or into which such securities may be exchanged or converted).

To the extent that any such rights, options or warrants are not so exercised on or before the expiry thereof, the Exercise Price will be readjusted to the Exercise Price that would then be in effect based on the number of Common Shares (or securities convertible into or exchangeable for Common Shares) actually delivered on the exercise of such rights, options or warrants.

- (c) Special Distributions: If at any time after the Effective Date but prior to the Expiry Date, the Corporation shall fix a record date for the payment, issue or distribution to the holders of all or substantially all of the outstanding Common Shares of:
  - (i) shares of the Corporation or any other corporation of any class other than Common Shares;
  - (ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares;
  - (iii) evidences of indebtedness of the Corporation; or
  - (iv) any property (including cash) or assets of the Corporation;

and if such issue or distribution does not constitute a Dividend Paid In The Ordinary Course, a Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the applicable Exercise Price in effect on the record date for the Special Distribution by a fraction:

- A. the numerator of which shall be the difference between
  - I. the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, and
  - II. the fair market value, as determined in good faith by the Directors (whose determination shall be conclusive, subject to the prior written consent, if required, of any stock exchange on which the Common Shares are then listed), of such dividend, cash, securities, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and
- B. the denominator of which shall be the product obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this subsection 4.01(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares referred to in this subsection 4.01(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exercise, exchange or conversion right to the amount which would then be in effect based upon the number of Common Shares issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

- (d) Reclassification of Common Shares; Consolidation; Arrangement; Amalgamation; Merger: If at any time after the Effective Date but prior to the Expiry Date there shall occur:
  - (i) a reclassification or redesignation of the Common Shares, a change of the Common Shares into other shares or securities or any other capital reorganization involving the Common Shares other than a Common Share Reorganization;
  - (ii) a consolidation, arrangement, amalgamation or merger of the Corporation with or into another body corporate which results in a reclassification or redesignation of the Common Shares or a change of the Common Shares into other shares or securities;
  - (iii) the transfer, sale or conveyance of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity (other than a Subsidiary of the Corporation);

(any of such events being called a "**Capital Reorganization**"), after the effective date of the Capital Reorganization the Warrantholder shall be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of the Warrants, in lieu of the number of Common Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of shares and other securities or property

resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder had been the registered holder of the number of Common Shares which the Warrantholder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any such Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Indenture with respect to the rights and interests thereafter of the Warrantholder to the end that the provisions shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of the Warrants. Any such adjustments shall be made by and set forth in an indenture supplemental hereto with its successor or such corporation or other entity, as applicable, contemporaneously with such reclassification, consolidation, amalgamation, arrangement, merger or other event and which supplemental indenture shall be approved by action by the Directors and shall for all purposes be conclusively deemed to be an appropriate adjustment. To give effect to the provisions of this subsection, the Corporation shall or shall impose upon its successor or such purchasing corporation or entity, as the case may be, prior to or contemporaneously with the Capital Reorganization, an agreement or an undertaking which shall provide, to the extent possible, for the applications of the provisions set forth herein with respect to the rights and interests thereafter of the Warrantholder to the extent that the adjustment provisions set forth in this Warrant Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which the Warrantholder is entitled on exercise of acquisition rights hereunder. Any such agreement or undertaking shall provide that such adjustments shall apply to successive Capital Reorganizations.

- (e) Adjustment to Number of Common Shares: If at any time after the Effective Date but prior to the Expiry Date any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of subsection 4.01(a) of this Indenture, then the number of Common Shares purchasable upon the subsequent exercise of Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Common Shares purchasable upon the exercise of Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.
- (f) Adjustments Prior to Effective Date: Notwithstanding any other provisions hereof, in the event that, at any time prior to the Effective Date, there shall have occurred one or more events which, if any Warrant was outstanding, would require an adjustment or adjustments thereto or to the exercise price thereof in accordance with the provisions hereof, then, notwithstanding anything to the contrary herein and notwithstanding that no Warrants may be outstanding at the applicable time under this Indenture, at the time of the issue of Warrants hereunder the same adjustment or adjustments in accordance with the adjustment provisions hereof shall be made to such Warrants, *mutatis mutandis*, as if such Warrants were outstanding and governed by the provisions hereof upon the occurrence of such event or events.

**Section 4.02 Rules Regarding Calculation of Adjustment of Exercise Price and Number of Common Shares Purchasable Upon Exercise**

For the purposes of Section 4.01 hereof the following subsections shall apply:

- (a) Successive Adjustments: Any adjustment made pursuant to Section 4.01 hereof shall be cumulative and made successively whenever an event referred to therein shall occur, subject to the following subsections of this Section 4.02.
- (b) Minimum Adjustments: No adjustment in the Exercise Price shall be required unless such adjustment would result in a change of at least 1% in the Exercise Price and no adjustment shall be made in the number of Common Shares purchasable upon exercise of a Warrant unless it would result in a change of at least one one-hundredth of a Common Share; provided, however, that any adjustments which, except for the provisions of this subsection 4.02(b), would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment, and provided further that in no event shall the Corporation be obligated to issue fractional Common Shares upon exercise of Warrants.
- (c) Mutatis Mutandis Adjustment: Subject to the prior written consent, if required, of any stock exchange on which the Common Shares may be listed, no adjustment in the Exercise Price or in the number or kind of securities purchasable upon exercise of a Warrant shall be made in respect of any event described in Section 4.01 hereof if Warrantholders are entitled to participate in such event on the same terms *mutatis mutandis* as if Warrantholders had exercised their Warrants prior to or on the effective date or record date, as the case may be, of such event.
- (d) No Adjustment for Certain Events: No adjustment in the Exercise Price or in the number of Common Shares purchasable upon the exercise of Warrants shall be made pursuant to Section 4.01 hereof in respect of the issue from time to time of Common Shares pursuant to this Indenture, pursuant to exchangeable or convertible securities of the Corporation outstanding as of the date hereof, or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Corporation and/or any Subsidiary and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Common Share Reorganization, a Rights Offering nor any other event described in Section 4.01 hereof.
- (e) Other Actions: If at any time after the Effective Date but prior to the Expiry Date the Corporation shall take any action affecting the Common Shares, other than an action described in Section 4.01 hereof, which in the opinion of the Directors acting in good faith would materially affect the rights of Warrantholders, either or both the Exercise Price and the number of Common Shares purchasable upon exercise of Warrants shall be adjusted in such manner and at such time by action by the Directors, acting in good faith in their sole discretion, but subject to the prior written consent, if required, of any stock exchange upon which the Common Shares may be listed, as may be equitable in the circumstances. Failure of the taking of action by the Directors so as to provide for an adjustment prior to the effective date of any action by the Corporation affecting the Common Shares shall be deemed to be conclusive evidence that the Directors have determined that it is equitable to make no adjustment in the circumstances.
- (f) Abandonment of Event: If the Corporation shall set a record date to determine the holders of Common Shares for the purpose of entitling such holders to receive any dividend or



distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such Shareholders of any such dividend, distribution or subscription or purchase rights or the taking of any other action, legally abandons its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Common Shares purchasable upon exercise of any Warrant shall be required by reason of the setting of such record date.

- (g) Deemed Record Date: In the absence of a resolution of the Directors fixing a record date for a Common Share Reorganization, a Rights Offering or a Special Distribution, the Corporation shall be deemed to have fixed as the record date therefor the earlier of the date on which holders of record of Common Shares are determined for the purpose of participating in the Common Share Reorganization, Rights Offering or Special Distribution and the date on which the Common Share Reorganization, Rights Offering or Special Distribution becomes effective.
- (h) Disputes: If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Common Shares purchasable upon exercise of Warrants, such disputes shall be conclusively determined by the Corporation's Auditor or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action by the Directors and acceptable to the Warrant Agent (the "**Corporation's Accountants**") and any such determination shall be conclusive evidence of the correctness of any adjustment made under Section 4.01 hereof and shall be binding upon the Corporation, the Warrant Agent and the Warrantholders. Such auditor or accountants shall be provided access to all necessary records of the Corporation for the purpose of such determination. In the event any determination is made, the Corporation shall deliver a Certificate of the Corporation to the Warrant Agent describing such determination.
- (i) Corporate Affairs: As a condition precedent to the taking of any action which would require any adjustment in any of the subscription rights pursuant to the Warrants, including the Exercise Price and the number or class of shares or other securities which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of Counsel, be necessary in order that the Corporation may validly and legally issue as fully paid and non-assessable all the shares or other securities which all holders of Warrants are entitled to receive in accordance with the provisions thereof.

#### **Section 4.03 Postponement of Subscription**

In any case in which this Article Four shall require that an adjustment shall be effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event:

- (a) issuing to the holder of any Warrant, to the extent that Warrants are exercised after such record date and before the occurrence of such event, the additional Warrant Shares or other securities issuable upon such exercise by reason of the adjustment required by such event; and
- (b) delivering to such holder any distribution declared with respect to such additional Common Shares or other securities after such exercise date and before such event;

provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing the right of such holder upon the occurrence of the event requiring the adjustment, to an adjustment in the

Exercise Price or the number of Warrant Shares purchasable on the exercise of any Warrant and to such distributions declared with respect to any additional Warrant Shares issuable on the exercise of any Warrant.

**Section 4.04 Notice of Adjustment of Exercise Price and Number of Common Shares Purchasable Upon Exercise**

- (a) Notice of Effective or Record Date: At least 14 days prior to the effective date or record date, as the case may be, of any event which requires or might require an adjustment in any of the subscription rights pursuant to any of the Warrants, including the Exercise Price and the number of Warrant Shares which are purchasable upon the exercise thereof:
- (i) the Corporation shall file with the Warrant Agent a Certificate of the Corporation specifying the particulars of such event to the extent then known including, if determinable, the required adjustment and the computation of such adjustment; and
  - (ii) within five days following receipt of the Certificate of the Corporation contemplated by subsection 4.04(a)(i) hereof, the Warrant Agent shall give notice to the Warranholders as provided by the Corporation in the manner provided for in Article Eleven hereof of the particulars of such event to the extent then known including, if determinable, the required adjustment.
- (b) Adjustment Not Determinable: In the case where any adjustment for which a notice pursuant to subsection 4.04(a) hereof has been given is not then determinable:
- (i) the Corporation shall promptly after such adjustment is determinable file with the Warrant Agent a Certificate of the Corporation setting forth the computation of such adjustment; and
  - (ii) within five days following receipt of the Certificate of the Corporation contemplated by subsection 4.04(b)(i) hereof, the Warrant Agent shall give notice to the Warranholders as provided by the Corporation in the manner provided for in Article Eleven hereof of the adjustment.

The Warrant Agent shall be entitled to act and rely on any certificates and other documents (including adjustment calculations) of the Corporation, the Corporation's Auditor or the Corporation's Accountants received by it pursuant to this Article Four.

- (c) Duty of Warrant Agent: Subject to subsection 10.02(a) hereof, the Warrant Agent shall not:
- (i) at any time be under any duty or responsibility to any Warranholder to determine whether any facts exist which may require any adjustment in the Exercise Price or number of Warrant Shares issuable upon the exercise of the Warrants, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making such adjustment;
  - (ii) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the exercise of any Warrant; or

- (iii) be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Warrant Shares or share certificates upon the surrender of any Warrants for the purpose of exercise, or to comply with any of the covenants contained in this Section 4.04.

**Section 4.05 Adjustment to Acceleration Trigger Price**

In the case that an adjustment is made to the Exercise Price pursuant to this Article 4, a corresponding adjustment shall be made to the Acceleration Trigger Price.

**ARTICLE FIVE  
PURCHASES BY THE CORPORATION**

**Section 5.01 Optional Purchases by the Corporation**

Subject to applicable law, the Corporation may from time to time purchase Warrants on any stock exchange, in the open market, by private agreement or otherwise. Any such purchase may be made in such manner, from such Persons, at such prices and on such terms as the Corporation in its sole discretion, acting reasonably, may determine.

**Section 5.02 Surrender of Warrant Certificates**

Warrant Certificates representing Warrants purchased pursuant to Section 5.01 hereof shall be surrendered to the Warrant Agent for cancellation and shall be accompanied by a Written Request of the Corporation to cancel the Warrants represented thereby. In the case of Uncertificated Warrants, the Warrants purchased pursuant to Section 5.01 hereof shall be cancelled in accordance with the Applicable Procedures.

**ARTICLE SIX  
COVENANTS OF THE CORPORATION**

**Section 6.01 General Covenants of the Corporation**

The Corporation covenants with the Warrant Agent for the benefit of the Warrant Agent and the Warrantholders that so long as any Warrants remain outstanding:

- (a) except to the extent that the Corporation participates in a merger, arrangement, amalgamation or other form of business combination transaction, the Corporation will at all times maintain its corporate existence, will carry on and conduct its business and that of its Subsidiaries in a proper, efficient and business-like manner and in accordance with good business practice and keep or cause to be kept proper books of account in accordance with Canadian generally accepted accounting principles;
- (b) the Corporation will cause certificates representing the Warrant Shares, if any, from time to time subscribed and paid for pursuant to the exercise of Warrants to be duly issued and delivered in accordance with the terms hereof;
- (c) all Warrant Shares which are issued upon exercise of the right to subscribe for and purchase provided for herein, upon payment of the Exercise Price herein provided for, shall be fully paid and non-assessable shares;

- (d) the Corporation will reserve and keep available a sufficient number of Common Shares for the purpose of enabling the Corporation to satisfy its obligations to issue Warrant Shares upon the exercise of the Warrants, and all Warrants shall, when Authenticated and registered as provided herein, be valid and enforceable against the Corporation;
- (e) the issue of Warrants and the issue of the Warrant Shares issuable upon exercise thereof does not and will not result in a breach by the Corporation of, and does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach by the Corporation of any Applicable Legislation, and does not and will not conflict with any of the terms, conditions or provisions of the articles or resolutions of the Corporation or any trust indenture, loan agreement or any other agreement or instrument to which the Corporation is a party or by which it is contractually bound on the date of this Indenture;
- (f) subject to Section 4.04 hereof, the Corporation will give to the Warrant Agent notice of its intention to fix a record date, or effective date, as the case may be, for any event referred to in Section 4.01 hereof which may give rise to an adjustment in the Exercise Price or the number of Warrant Shares purchasable upon the exercise of Warrants and, in each case, such notice shall specify the particulars of such event and the record date, or the effective date, for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given, and such notice shall be given in each case not less than 14 days prior to the applicable record date or effective date, as the case may be;
- (g) the Corporation will not close its transfer books nor take any other action which might deprive a Warrantholder of the opportunity of exercising the right of purchase pursuant to the Warrants held by such Person during the period of 14 days after the giving of a notice required by this Section 6.01 or unduly restrict such opportunity;
- (h) except to the extent that the Corporation participates in a merger, arrangement, amalgamation or other form of business combination transaction, the Corporation will, at all times, use commercially reasonable efforts to preserve and maintain its status as a "reporting issuer" or the equivalent thereof not in default under securities legislation of each of the provinces of Canada in which the Corporation is currently a "reporting issuer" until the Expiry Date;
- (i) except to the extent that the Corporation participates in a merger, arrangement, amalgamation or other form of business combination transaction, the Corporation will use commercially reasonable efforts to maintain a listing of the Common Shares on the TSX Venture Exchange or on any other recognized North American stock exchange until the Expiry Date;
- (j) if the Corporation is a party to any transaction in which the Corporation is not the continuing corporation, the Corporation shall use commercially reasonable efforts to obtain all consents which may be necessary or appropriate under applicable Canadian law to enable the continuing corporation to give effect to the Warrants;
- (k) it will promptly give notice to the Warrant Agent and Warrantholders of a default under the terms of this Indenture; and
- (l) the Corporation will perform and carry out all of the acts or things to be done by the Corporation as provided in this Indenture.

**Section 6.02 Third Party Interests**

The Corporation represents to the Warrant Agent that any account to be opened, or interest to be held, by the Warrant Agent in connection with this Indenture for or to the credit of the Corporation, either (i) is not intended by the Corporation to be used by or on behalf of any third party, or (ii) is intended by the Corporation to be used by or on behalf of a third party, in which case the Corporation agrees to complete and execute forthwith a declaration in the form prescribed by the Warrant Agent as to the particulars of such third party.

**Section 6.03 Warrant Agent's Remuneration and Expenses**

The Corporation covenants that it will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and the Corporation will pay or reimburse the Warrant Agent upon its request for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of its duties hereunder (including the reasonable compensation and the disbursements of its counsel and all other advisers not regularly in its employ) both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Warrant Agent's own gross negligence, wilful misconduct or fraud. Any amount owing hereunder and remaining unpaid after 30 days from the invoice date will bear interest at the then current rate charged by the Warrant Agent against unpaid invoices and shall be payable upon demand. This Section 6.03 shall survive the resignation or removal of the Warrant Agent and/or the termination of this Indenture.

**Section 6.04 Notice of Issue**

The Corporation will give written notice of the issue of Warrant Shares pursuant to the exercise of any Warrants, in such detail as may be required, to each securities commission or similar regulatory authority in each jurisdiction in Canada in which there is legislation or regulations requiring the giving of any such notice in order that such issue of Warrant Shares and the subsequent disposition of the Warrant Shares so issued will not be subject to the prospectus requirements, if any, of such legislation or regulations.

**Section 6.05 Performance of Covenants by Warrant Agent**

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Warrantheolders of such failure on the part of the Corporation or may itself perform any of the said covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Warrantheolders that it is so doing. All amounts so expended or advanced by the Warrant Agent shall be repayable by the Corporation upon request of the Warrant Agent as provided in Section 6.03 hereof. No such performance or advance by the Warrant Agent shall be deemed to relieve the Corporation of any default or of its continuing obligations hereunder.

**ARTICLE SEVEN  
ENFORCEMENT**

**Section 7.01 Suits by Warrantheolders**

All or any of the rights conferred upon a Warrantheolder by the terms of a Warrant Certificate or the provisions of this Indenture may be enforced by such Warrantheolder by appropriate legal proceedings but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Warrantheolder.

**Section 7.02 Immunity of Shareholders**

Warrantheolders and the Warrant Agent hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future incorporator, shareholder, director, officer, employee or agent of the Corporation for the issue of Warrant Shares pursuant to the exercise of any Warrant other than in respect of negligence or breach of fiduciary duty by any of the foregoing.

**Section 7.03 Limitation of Liability**

The obligations hereunder are not personally binding upon, nor shall resort hereunder be had to, the private property of any of the past, present or future officers, Directors or Shareholders of the Corporation or of any successor corporation or to any of the past, present or future officers, Directors, employees or agents of the Corporation or any successor corporation, but only the property of the Corporation or any successor corporation shall be bound in respect hereof.

**ARTICLE EIGHT  
MEETINGS OF WARRANTHOLDERS**

**Section 8.01 Right to Convene Meetings**

The Warrant Agent may at any time and from time to time and shall on receipt of a Written Request of the Corporation or of a Warrantheolders' Request and upon receiving sufficient funds and being indemnified to its reasonable satisfaction by the Corporation or by the Warrantheolders signing such Warrantheolders' Request, as the case may be, against the costs which may be incurred by the Warrant Agent in connection with the calling and holding of such meeting, convene a meeting of the Warrantheolders. In the event of the Warrant Agent failing within 15 days after receipt of such Written Request by the Corporation or of a Warrantheolders' Request and of the required funds and indemnity as aforesaid to give notice to convene a meeting, the Corporation or the Warrantheolders signing such Warrantheolders' Request, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Toronto, Ontario, or at such other place as may be approved or determined by the Warrant Agent, including through a virtual or electronic meeting platform, subject to the Warrant Agent's capabilities at the time.

**Section 8.02 Notice**

At least 21 days' notice of any meeting of Warrantheolders shall be given to the Warrantheolders in the manner provided in Article Eleven hereof and a copy thereof shall be sent by prepaid mail to the Warrant Agent unless the meeting has been called by it and to the Corporation unless the meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat. It shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article Eight. The notice convening any such meeting may be signed by an appropriate officer of the Warrant Agent or of the Corporation or the Person or Persons designated by the Warrantheolders signing such Warrantheolders' Request, as the case may be.

**Section 8.03 Chair**

An individual (who need not be a Warrantheolder) nominated in writing by the Warrant Agent shall be chair of the meeting and if no individual is so nominated, or if the individual so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, or if such person is unable or unwilling to act as chair, the Warrantheolders present in person or by proxy shall choose a person present to be chair.

**Section 8.04 Quorum**

Subject to the provisions of Section 8.12 hereof, at any meeting of the Warrantholders a quorum shall consist of Warrantholders present in person or by proxy holding at least 25% of the aggregate number of Warrants outstanding as of the date of the meeting, provided that at least two Persons entitled to vote thereat (including proxyholders) are personally present. If a quorum of the Warrantholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Warrantholders or on a Warrantholders' Request, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next following week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place. At the adjourned meeting the Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally called notwithstanding that they may not hold at least 25% of the aggregate number of Warrants then outstanding.

**Section 8.05 Power to Adjourn**

Subject to the provisions of Section 8.04 hereof, the chair of any meeting at which a quorum of the Warrantholders is present may, with the consent of the meeting, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

**Section 8.06 Show of Hands**

Every question submitted to a meeting shall be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. At any such meeting, unless a poll is demanded as herein provided, a declaration by the chair that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of such fact. Any Warrantholder present in person or by proxy can demand a poll at any meeting in accordance with the provisions of Section 8.07 hereof.

**Section 8.07 Poll**

On every Extraordinary Resolution, and on any other question submitted to a meeting and after a vote by show of hands in respect of such question if requested by the chair or by one of or more of the Warrantholders acting in person or by proxy, a poll shall be taken in such manner as the chair shall direct. Questions other than Extraordinary Resolutions shall be decided by a majority of the votes cast on the poll.

**Section 8.08 Voting**

On a show of hands every Person who is present and entitled to vote, whether as a Warrantholder or as a proxy for one or more absent Warrantholders or both, shall have one vote. On a poll, each Warrantholder present in person or represented by a proxy appointed by instrument in writing shall be entitled to one vote in respect of each one Warrant held by him or her. A proxy need not be a Warrantholder. The chair of any meeting shall be entitled both on a show of hands and on a poll to vote in respect of the Warrants, if any, held or represented by him or her.

**Section 8.09 Regulations**

The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make regulations and from time to time vary such regulations as it shall from time to time think fit:

- (a) for the deposit of instruments appointing proxies at such place and time as the Warrant Agent, the Corporation or the Warranholder calling the meeting, as the case may be, may direct in the notice calling the meeting;
- (b) for the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, delivered or faxed before the meeting to the Corporation or to the Warrant Agent at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;
- (c) for the form of the instrument appointing a proxy, the manner in which it may be executed and verification of the authority of a Person who executes it on behalf of a Warranholder; and
- (d) generally for the calling of meetings of Warranholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide and subject to Section 8.10 below, the only Persons who shall be recognized at any meeting as the holders of any Warrants, or as entitled to vote or be present at the meeting in respect thereof, shall be registered holders of Warrants or proxies thereof.

#### **Section 8.10 Corporation and Warrant Agent may be Represented**

The Corporation, Cormark Securities Inc. and the Warrant Agent, by their respective employees, officers or directors, and the legal advisers of the Corporation, Cormark Securities Inc. and the Warrant Agent, may attend any meeting of the Warranholders and will be recognized and given reasonable opportunity to speak to any resolution proposed for consideration at the meeting, but shall have no vote as such.

#### **Section 8.11 Powers Exercisable by Extraordinary Resolution**

In addition to all other powers conferred upon them by any other provision of this Indenture or by law, the Warranholders at a meeting shall have the following powers, subject to receipt of any regulatory approvals including any approval required by any stock exchange, from time to time by Extraordinary Resolution:

- (a) power to consent and agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Warranholders or, with the reasonable consent of the Warrant Agent, of the Warrant Agent (in its capacity as warrant agent hereunder) with the Corporation, whether such rights arise under this Indenture or the Warrant Certificates or otherwise;
- (b) subject to arrangements as to financing and indemnity satisfactory to the Warrant Agent, power to direct or authorize the Warrant Agent (i) to enforce any of the covenants of the Corporation contained in this Indenture or the Warrant Certificates, (ii) to enforce any of the rights of the Warranholders in any manner specified in such Extraordinary Resolution, or (iii) to refrain from enforcing any such covenant or right;
- (c) power to waive and direct the Warrant Agent to waive any default on the part of the Corporation in complying with any provision of this Indenture or the Warrant Certificates, either unconditionally or upon any conditions specified in such Extraordinary Resolution;



- (d) power to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Corporation (i) for the enforcement of any of the covenants of the Corporation contained in this Indenture or the Warrant Certificates, or (ii) to enforce any of the rights of the Warranholders;
- (e) power to direct any Warrantholder who, as such, has brought any suit, action or proceeding to stay or discontinue or otherwise deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Warrantholder in connection therewith;
- (f) power to appoint any Persons (whether Warranholders or not) as a committee to represent the interests of the Warranholders and to confer upon such committee any powers or discretions which the Warranholders could themselves exercise by Extraordinary Resolution or otherwise;
- (g) power from time to time and at any time to remove the Warrant Agent and to appoint a successor Warrant Agent;
- (h) power to amend, alter or repeal any Extraordinary Resolution previously passed;
- (i) power to assent to any change in or omission from the provisions contained in the Warrant Certificates and this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission; and
- (j) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

**Section 8.12 Extraordinary Resolution**

- (a) Extraordinary Resolution: If, at any meeting called for the purpose of passing an Extraordinary Resolution, Warranholders holding 25% of the aggregate number of Warrants outstanding as of the date of such meeting are not present in person or by proxy within 30 minutes from the time fixed for holding the meeting, then the meeting, if called by Warranholders or on a Warranholders' Request, shall be dissolved, but in any other case it shall stand adjourned to such day, being not less than five Business Days or more than 10 Business Days later, and to such place and time as may be determined by the chair. Not less than three Business Days' notice to Warranholders shall be given of the time and place of such adjourned meeting in the manner provided in Article Eleven hereof. Such notice shall state that at the adjourned meeting the Warranholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Warranholders present in person or by proxy shall form a quorum notwithstanding the provisions of this subsection 8.12(a) to the contrary and may transact the business for which the meeting was originally called and a motion proposed at such adjourned meeting and passed by the affirmative vote of Warranholders holding not less than 66⅔% of the aggregate number of Warrants represented at the adjourned meeting and voted on the motion shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that Warranholders holding 25% of the aggregate number of Warrants then outstanding are not present in person or by proxy at such adjourned meeting.

- (b) Poll to be Taken: Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

**Section 8.13 Powers Cumulative**

It is hereby declared and agreed that any one or more of the powers in this Indenture, stated to be exercisable by the Warranholders by Extraordinary Resolution or otherwise, may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the right of the Warranholders to exercise such power or powers then or thereafter from time to time.

**Section 8.14 Minutes**

Minutes of all resolutions and Extraordinary Resolutions and proceedings at every meeting of Warranholders shall be made and entered in books to be from time to time provided for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes, if signed by the chair of the meeting at which such resolutions or Extraordinary Resolutions were passed or proceedings had, or by the chair of the next succeeding meeting of the Warranholders, shall be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been called and held, and all resolutions passed thereat or proceedings taken, to have been passed and taken.

**Section 8.15 Instruments in Writing**

All actions which may be taken and all powers that may be exercised by the Warranholders at a meeting held as provided in this Article Eight may also be taken and exercised by Warranholders holding 66 2/3% of the aggregate number of all of the then outstanding Warrants, by an instrument in writing signed in one or more counterparts by such Warranholders in person or by attorney appointed in writing and the expression "Extraordinary Resolution" when used in this Indenture shall include an instrument so signed.

**Section 8.16 Binding Effect of Resolutions**

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article Eight at a meeting of Warranholders shall be binding upon all of the Warranholders, whether present or absent at such meeting, and every instrument in writing signed by Warranholders in accordance with the provisions of Section 8.15 hereof shall be binding upon all of the Warranholders, whether signatories thereto or not, and each and every Warranholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

**Section 8.17 Holdings by Corporation and Subsidiaries Disregarded**

In determining whether Warranholders are present at a meeting of Warranholders for the purpose of determining a quorum or have concurred in any consent, resolution, Extraordinary Resolution, Warranholders' Request, waiver or other action under this Indenture, Warrants owned by the Corporation or any Subsidiary shall be deemed not to be outstanding and shall be disregarded. The Corporation shall provide the Warrant Agent with a Certificate of the Corporation providing details of any Warrants held by the Corporation or by a Subsidiary upon the written request of the Warrant Agent.

**ARTICLE NINE**  
**SUPPLEMENTAL INDENTURES**

**Section 9.01**    **Provision for Supplemental Indentures for Certain Purposes**

From time to time the Corporation (when authorized by action by the Directors) and the Warrant Agent may, subject to the provisions of this Indenture, and they shall, when so directed by the provisions of this Indenture, but subject always to the prior written consent, if required, of any stock exchange on which the Common Shares may be listed, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

- (a) setting forth adjustments pursuant to the provisions of Article Four hereof;
- (b) increasing the number of Warrants, and the number of Warrant Shares issuable upon the exercise of Warrants, which the Corporation is authorized to issue under this Indenture and any consequential amendment thereto as may be required by the Warrant Agent acting on the advice of Counsel;
- (c) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not, in the opinion of the Warrant Agent, based on the advice of Counsel, prejudicial to the interests of the Warrantholders as a group;
- (d) giving effect to any resolution or Extraordinary Resolution passed as provided in Article Eight hereof;
- (e) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, provided that such provisions are not, in the opinion of the Warrant Agent, based on the advice of Counsel, prejudicial to the interests of the Warrantholders as a group;
- (f) adding to or altering the provisions hereof in respect of the transfer of Warrants, making provision for the exchange of Warrant Certificates, or making any modification in the form of the Warrant Certificates which does not affect the substance thereof;
- (g) modifying any of the provisions of this Indenture or relieving the Corporation from any of the obligations, conditions or restrictions herein contained; provided that no such modification or relief shall be or become operative or effective in such manner as to impair any of the rights of the Warrantholders or of the Warrant Agent, based on the advice of Counsel; and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative; or
- (h) any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein, provided that, in the opinion of the Warrant Agent based on the advice of Counsel, the rights of the Warrant Agent and of the Warrantholders as a group are in no way prejudiced thereby.

## **Section 9.02 Successor Corporation**

In the case of a consolidation, amalgamation, arrangement, merger, separation or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety, the successor entity resulting from such consolidation, amalgamation, arrangement, merger, separation or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent and executed and delivered to the Warrant Agent, the performance and observance of each and every covenant and obligation contained in this Indenture to be performed by the Corporation, as the case may be. Without limiting the generality of the foregoing, the continuing entity resulting from such consolidation, amalgamation, arrangement, merger, separation or transfer shall be deemed to be a successor entity for purposes of this Indenture.

## **ARTICLE TEN CONCERNING THE WARRANT AGENT**

### **Section 10.01 Warrant Indenture Legislation**

- (a) Mandatory Requirements: If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.
- (b) Applicable Legislation: The Corporation and the Warrant Agent agree that each of them will at all times in relation to this Indenture and any action to be taken hereunder observe and comply with, and be entitled to the benefits of, Applicable Legislation.

### **Section 10.02 Rights and Duties of Warrant Agent**

- (a) Degree of Skill: In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall act honestly and in good faith and shall exercise that degree of care, diligence and skill that a reasonably prudent warrant agent would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own gross negligence, wilful misconduct, bad faith or fraud.
- (b) Conditions for Action: Subject to subsection 10.02(a) hereof, the Warrant Agent shall not be bound to do any thing or take any act or action for the enforcement of any of the obligations of the Corporation under this Indenture unless and until the Warrant Agent shall have received a Warrantholders' Request setting out the action which the Warrant Agent is required to take and the obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Warrantholders hereunder shall be conditional upon the Warrantholders furnishing, when required by notice by the Warrant Agent, sufficient funds to commence or continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and hold harmless the Warrant Agent against the costs, charges, expenses and liabilities to be incurred thereby and any loss or damage it may suffer by reason thereof. None of the provisions contained in this Indenture shall require the Warrant Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless funded and indemnified as aforesaid.

- (c) Deposit of Warrant Certificates: The Warrant Agent may, before commencing or at any time during the continuance of any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Warrantholders hereunder, require the Warrantholders at whose instance it is acting to deposit with the Warrant Agent the Warrant Certificates held by them, for which Warrant Certificates the Warrant Agent shall issue receipts.
- (d) Supremacy of Applicable Legislation: Every provision of this Indenture that by its terms relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of Applicable Legislation and of this Article Ten.

### **Section 10.03 Evidence**

- (a) Entitlement to Rely on Evidence: Whenever it is provided in this Indenture that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders or other documents, it is intended that the truth, accuracy and good faith on the effective date thereof of the facts and opinions stated in all documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon. The Warrant Agent may rely and shall be protected in acting upon any such documents deposited with it in purported compliance with any such provision or for any other purpose hereof, but may, in its discretion, require further evidence before acting or relying thereon. The Warrant Agent may also rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cablegram or other paper or document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties. The Warrant Agent shall be protected in acting and relying upon any document received either in facsimile or by email of a pdf form.
- (b) Additional Evidence: In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.
- (c) Statutory Declarations: Whenever Applicable Legislation requires that evidence referred to in subsection 10.03(a) hereof be in the form of a statutory declaration, the Warrant Agent may accept such statutory declaration in lieu of a Certificate of the Corporation required by any provision hereof. Any such statutory declaration may be made by one or more of the President, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, any Vice-President, the Secretary, the Treasurer, any Assistant Secretary or any Assistant Treasurer of the Corporation.
- (d) Proof of Execution: Proof of execution of an instrument in writing by any Warrantholder may be made by the certificate of a notary public, or other officer with similar powers, that the Person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Warrant Agent may consider adequate and in respect of a corporate Warrantholder, shall include a certificate of incumbency of such Warrantholder together with a certified resolution authorizing the person who signs such instrument to sign such instrument.

#### **Section 10.04 Experts and Advisers**

The Warrant Agent may employ or retain, at the expense of the Corporation, such counsel, accountants or other experts or advisers as it may reasonably require for the purpose of determining and discharging its duties hereunder, may pay reasonable remuneration for all services performed by any of them without taxation of any reasonable costs of any counsel and shall not be responsible for any misconduct on the part of any of them who has been selected with due care by the Warrant Agent. The Warrant Agent may act and shall be protected in acting in good faith on the opinion or advice of or information obtained from any counsel, accountant or other expert or adviser, whether retained or employed by the Corporation or by the Warrant Agent, in relation to any matter arising in relation to this Indenture. The Corporation shall pay or reimburse the Warrant Agent for any reasonable fees, expenses and disbursements of such counsel or advisers in accordance with Section 6.03.

#### **Section 10.05 Warrant Agent not Required to give Security**

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the duties, obligations and powers of this Indenture or otherwise in respect of these premises.

#### **Section 10.06 Protection of Warrant Agent**

- (a) Protection: By way of supplement to the provisions of any law for the time being relating to warrant agents, it is expressly declared and agreed as follows:
- (i) the Warrant Agent shall not be liable for, or by reason of, any statement of fact or recital in this Indenture or in the Warrant Certificates (except the representation contained in Section 10.08 hereof and in the countersignature of the Warrant Agent on the Warrant Certificates) or required to verify the same, but all such statements or recitals are, and shall be deemed to be, made by the Corporation;
  - (ii) the Warrant Agent shall not be bound to give notice to any Person or Persons of the execution hereof;
  - (iii) the Warrant Agent shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of Directors, officers, employees, agents or servants of the Corporation;
  - (iv) subject to subsection 10.08(a) hereof, the Warrant Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into financial transactions with the Corporation or any corporation related to the Corporation without being liable to account for any profit made thereby;
  - (v) nothing herein contained shall impose any obligation on the Warrant Agent to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto; and
  - (vi) the Warrant Agent shall not be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Warrant Agent and,

in the absence of any such notice, the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements, or conditions contained herein.

- (vii) The Warrant Agent shall not be liable for any error in judgment or for any act done or step taken or omitted by it in good faith or for any mistake, in fact or law, or for anything which it may do or refrain from doing in connection herewith except arising out of its own gross negligence, bad faith or willful misconduct.
  - (viii) In the event that any of the funds provided to the Warrant Agent hereunder are received by it in the form of an uncertified cheque or bank draft, the Warrant Agent shall be entitled to delay the time for release of such funds until such uncertified cheque has cleared the financial institution upon which the same is drawn.
- (b) Indemnity: In addition to and without limiting any protection of the Warrant Agent hereunder or otherwise by law, the Corporation agrees to indemnify the Warrant Agent, its agents, employees, directors and officers (for the purposes of this subsection each an "**Indemnified Person**") against, and save each Indemnified Person harmless from, all liabilities, suits, damages, costs, expenses and actions which may be brought against or suffered by it arising out of or connected with the performance by the Warrant Agent of its duties hereunder except to the extent that such liabilities, suits, damages, costs and actions are attributable to the gross negligence, wilful misconduct or fraud of the Warrant Agent or an Indemnified Person. Notwithstanding any other provision hereof, this indemnity shall survive any removal or resignation of the Warrant Agent, discharge of this Indenture and termination of any duties and obligations hereunder.

#### **Section 10.07 Replacement of Warrant Agent, Successor by Merger**

- (a) Resignation: Subject to Section 10.13 hereof, the Warrant Agent may resign its duties and obligations and be discharged from all further duties and liabilities hereunder, subject to this subsection 10.07(a), by giving to the Corporation not less than 30 Business Days prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Warrantholders, by Extraordinary Resolution, shall have power at any time to remove the Warrant Agent and to appoint a new warrant agent. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new warrant agent unless such Extraordinary Resolution has appointed a new warrant agent; failing such appointment by the Corporation, the retiring Warrant Agent may, at the expense of the Corporation, or any Warrantholder may apply to the Ontario Court of Justice (General Division), on such notice as such court may direct for the appointment of a new warrant agent; provided that any new Warrant Agent so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Warrantholders. Any new warrant agent appointed under this subsection 10.07(a) shall be a corporation authorized to carry on the business of a trust company or transfer agent in the Province of Ontario and, if required by Applicable Legislation of any other province in Canada, in such other provinces. On any such appointment the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent without any further assurance, conveyance, act or deed, but there shall be immediately executed, at the expense of the Corporation, all such conveyances or other instruments as may, in the opinion of Counsel, be necessary or

advisable for the purpose of assuring the same to the new warrant agent, provided that, following any resignation or removal of the Warrant Agent and appointment of a successor warrant agent, the successor warrant agent shall have executed an appropriate instrument accepting such appointment and, at the request of the Corporation, upon payment of all of its outstanding fees and expenses then payable pursuant to Section 6.03 of this Indenture, the predecessor Warrant Agent shall execute and deliver to the successor warrant agent an appropriate instrument transferring to such successor warrant agent all rights and powers of the Warrant Agent hereunder so ceasing to act.

- (b) Notice of Successor: Upon the appointment of a successor warrant agent, the Corporation shall promptly notify the Warrantholders thereof in the manner provided for in Article Eleven hereof.
- (c) No Further Act for Merger: Any corporation into or with which the Warrant Agent may be merged, arranged, consolidated or amalgamated, or to which all or substantially all of its corporate trust business is sold, or any corporation resulting therefrom, or any corporation succeeding to the corporate trust or transfer agency business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor warrant agent under subsection 10.07(a) hereof.
- (d) Certification: Any Warrant Certificate countersigned but not delivered by a predecessor Warrant Agent may be delivered by the successor warrant agent in the name of the predecessor or successor warrant agent. In case at any time the name of the Warrant Agent is changed and at such time any of the Warrant Certificates have been countersigned but not delivered, the Warrant Agent may adopt the countersignature under its prior name and deliver Warrant Certificates so countersigned; and in case at that time any of the Warrant Certificates have not been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name; and in all such cases such Warrant Certificates will have the full force provided in the Warrant Certificates and in this Indenture.

#### **Section 10.08 Conflict of Interest**

- (a) Representation: The Warrant Agent represents to the Corporation that at the time of the execution and delivery hereof no material conflict of interest exists in the Warrant Agent's role as a warrant agent hereunder and agrees that in the event of a material conflict of interest arising hereafter it will, within 90 days after ascertaining that it has such material conflict of interest, either eliminate such material conflicts or resign its duties and obligations hereunder in accordance with the provisions of this Indenture.
- (b) Dealing in Securities: Subject to subsection 10.08(a) hereof, the Warrant Agent or a successor warrant agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into financial transactions with the Corporation or any Subsidiary without being liable to account for any profit made thereby.

#### **Section 10.09 Acceptance of Duties and Obligations**

The Warrant Agent hereby accepts the duties and obligations in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions hereinbefore set forth unless and until



discharged therefrom. The Warrant Agent accepts the duties and responsibilities under this Indenture solely as custodian, bailee and agent. No trust is intended to be or will be created hereby and the Warrant Agent shall owe no duties hereunder as a trustee.

**Section 10.10 Actions by Warrant Agent to Protect Interest**

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interest and the interests of the Warrantholders.

**Section 10.11 Documents, Moneys, etc. Held by Warrant Agent**

Any securities, documents of title or other instruments that may at any time be held by the Warrant Agent subject to the duties and obligations hereof may be placed in the deposit vaults of the Warrant Agent or of any bank listed in Schedule I of the *Bank Act* (Canada), as amended, or deposited for safekeeping with any such bank. Unless herein otherwise expressly provided, any moneys so held pending the application or withdrawal thereof under any provisions of this Indenture, may be deposited in the name of the Warrant Agent in a non-interest bearing bank account.

**Section 10.12 Warrant Agent Not to be Appointed Receiver**

The Warrant Agent and any Person related to the Warrant Agent shall not be appointed a receiver or receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

**Section 10.13 Compliance with Anti-Money Laundering Legislation**

Notwithstanding any other provision of this Indenture, the Warrant Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Warrant Agent reasonably determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, economic sanctions, regulation or guideline. Further, should the Warrant Agent reasonably determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, economic sanctions, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation; provided: (i) that the Warrant Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Warrant Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

**Section 10.14 Privacy Provision**

The parties hereto acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (for the purposes of this section collectively "**Privacy Laws**") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation shall, prior to transferring or causing to be transferred personal information to the Warrant Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Warrant Agent shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

**ARTICLE ELEVEN  
NOTICE TO WARRANTHOLDERS**

**Section 11.01 Notice**

- (a) Notice: Unless herein otherwise expressly provided, a notice to be given hereunder to Warrantholders will be deemed to be validly given if the notice is sent by ordinary surface or air mail, postage prepaid, addressed to the Warrantholders or delivered (or so mailed to certain Warrantholders and so delivered to the other Warrantholders) at their respective addresses appearing on the registers of holders described in Section 2.08 hereof; provided, however, that if, by reason of a strike, lockout or other work stoppage, actual or threatened, involving Canadian postal employees, the notice could reasonably be considered unlikely to reach or likely to be delayed in reaching its destination, the notice will be valid and effective only if it is so delivered or is given by publication twice in the Report on Business section in the national edition of *The Globe and Mail* newspaper.
- (b) Date of Notice: A notice so given by mail or so delivered will be deemed to have been given on the second Business Day after it has been mailed or on the day on which it has been delivered, as the case may be, and a notice so given by publication will be deemed to have been given on the second day on which it has been published as required. In determining under any provision hereof the date when notice of a meeting or other event must be given, the date of giving notice will be included and the date of the meeting or other event will be excluded. Accidental failure or omission in giving notice or accidental failure to mail notice to any Warrantholder will not invalidate any action or proceeding founded thereon.

**ARTICLE TWELVE  
GENERAL**

**Section 12.01 Notice to the Corporation and the Warrant Agent**

- (a) Notices: Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or to the Warrant Agent shall be deemed to be validly given if delivered by prepaid courier, if transmitted by telecopier or e-mail or other means of prepaid, transmitted, recorded communication or if sent by registered mail, postage prepaid:

- (i) to the Corporation:

POET Technologies Inc.  
120 Eglinton Avenue East, Suite 1107  
Toronto, Ontario M4P 1E2

Attention: Kevin Barnes, Corporate Controller and Treasurer  
Facsimile: (416) 365-1813

with a copy to:

Bennett Jones LLP  
3400 One First Canadian Place, P.O. Box 130  
Toronto, Ontario M5X 1A4

Attention: James Clare  
 Facsimile: (416) 863-1716

(ii) to the Warrant Agent:

TSX Trust Company  
 301-100 Adelaide Street W.  
 Toronto, Ontario M5H 4H1

Attention: Vice President, Trust Services  
 Facsimile: (416) 361-0470  
 Email: tmxestaff-corporatetrust@tmx.com

and any such notice delivered or transmitted in accordance with the foregoing shall be deemed to have been received on the date of delivery or facsimile or electronic transmission or, if mailed, on the second Business Day following the date of the postmark on such notice. The original of any notice sent by facsimile transmission to the Warrant Agent shall be subsequently mailed to the Warrant Agent.

- (b) Change of Address: The Corporation or the Warrant Agent may from time to time notify the other in the manner provided in subsection 12.01(a) hereof of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.
- (c) Postal Disruption: If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered by prepaid courier or transmitted by telecopier or email or other means of prepaid, transmitted, recorded communication, such notice to be deemed to have been received on the date of delivery or transmission.

#### **Section 12.02 Time of the Essence**

Time shall be of the essence of this Indenture.

#### **Section 12.03 Counterparts**

The Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to be dated as of the date hereof. Delivery of an executed copy of the Indenture by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Indenture as of the date hereof.

#### **Section 12.04 Satisfaction and Discharge of Indenture**

Upon all Warrant Shares required to be issued in respect of Warrants validly exercised prior to the Expiry Date having been issued, this Indenture shall cease to be of further force or effect and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a

Certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture.

**Section 12.05 Provisions of Indenture and Warrant Certificate for the Sole Benefit of Parties and Warrantholders**

Nothing in this Indenture or the Warrant Certificates, expressed or implied, shall give or be construed to give to any Person other than the parties hereto and the Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture or the Warrant Certificates, or under any covenant or provision therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Warrantholders.

**Section 12.06 Stock Exchange Consents**

Any action provided for in this Indenture requiring the prior consent of any stock exchange upon which the Common Shares may be listed shall not be completed until the requisite consent is obtained.

**Section 12.07 Force Majeure**

No party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 12.07.

*[Remainder of page intentionally left blank. Signature page follows.]*

IN WITNESS WHEREOF the parties have executed this Indenture as of the day and year first above written.

**POET TECHNOLOGIES INC.**



By: \_\_\_\_\_  
Name: Kevin Barnes  
Title: Corporate Controller and Secretary

**TSX TRUST COMPANY**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF the parties have executed this Indenture as of the day and year first above written.

**POET TECHNOLOGIES INC.**

By: \_\_\_\_\_  
Name: Kevin Barnes  
Title: Corporate Controller and Secretary

**TSX TRUST COMPANY**

DocuSigned by:  
*Brett Higgs*  
By: \_\_\_\_\_  
Name: Brett Higgs  
Title: corporate Trust officer

DocuSigned by:  
*Donald Crawford*  
By: \_\_\_\_\_  
Name: Donald Crawford  
Title: Senior Trust officer

**SCHEDULE A TO THE WARRANT INDENTURE DATED  
FEBRUARY 11, 2021 BETWEEN POET TECHNOLOGIES INC. AND  
TSX TRUST COMPANY**

**FORM OF WARRANT CERTIFICATE**

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JUNE 12, 2021.

[Note: If required by subsection 2.01(f)(iii), this certificate will have the following legend added hereto:

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL JUNE 12, 2021.]

[Certificates issued to CDS must bear the following legend:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO POET TECHNOLOGIES INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.]

[Certificates originally issued for the benefit or account of a U.S. Purchaser, and each Certificate issued in exchange therefor or in substitution thereof, must bear the following legends:

THIS WARRANT AND THE UNDERLYING SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON OR PERSON IN THE UNITED STATES AND THE UNDERLYING SHARES MAY NOT BE DELIVERED WITHIN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SHARES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE, AND THE HOLDER HAS DELIVERED AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. "UNITED STATES" AND "U.S. PERSON" ARE USED HEREIN AS SUCH TERMS ARE DEFINED BY REGULATIONS UNDER THE U.S. SECURITIES ACT.

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT AND IS AVAILABLE FOR RESALE OF THE SECURITIES, OR (D) IN COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT,

INCLUDING RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER FURTHER UNDERSTANDS AND AGREES THAT IN THE EVENT OF A TRANSFER PURSUANT TO THE FOREGOING CLAUSE (B) OR (D), THE CORPORATION WILL REQUIRE A LEGAL OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE SATISFACTORY TO THE CORPORATION THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.]



NUMBER

CERTIFICATE FOR \_\_\_\_\_  
WARRANTS

CUSIP:

ISIN:

## WARRANT

### TO PURCHASE COMMON SHARES OF POET TECHNOLOGIES INC.

THIS IS TO CERTIFY THAT, for value received, \_\_\_\_\_ (the "holder") is entitled to subscribe for and to purchase, at any time prior to 5:00 P.M. (Toronto time), on February 11, 2023 (the "**Expiry Date**"), subject to acceleration as further set forth in the Warrant Indenture (as defined herein), fully paid and non-assessable common shares ("**Common Shares**") of the POET Technologies Inc. (the "**Corporation**") as constituted on the date hereof, on the basis of one Common Share for each one Warrant, at an exercise price of \$1.15 per Common Share, subject to adjustment as provided herein and in the Warrant Indenture, by surrendering this Warrant Certificate to the Warrant Agent (as hereinafter defined) with a subscription form (FORM 1) properly completed and executed, and a certified cheque, bank draft or money order in lawful money of Canada payable to or to the order of the Corporation, for the total purchase price of the Common Shares so subscribed for and purchased.

If, on or following the date that is four months and one day after the date of this warrant certificate and prior to the Expiry Date, the volume-weighted average trading price of the Common Shares on the TSX Venture Exchange (or such other principal exchange or market where the Common Shares are then listed or quoted for trading) exceeds the Acceleration Trigger Price, for a period of 10 consecutive Trading Days, as adjusted in accordance with the Warrant terms (an "**Acceleration Event**"), the Corporation may, at its option, accelerate the Expiry Date of the Warrants to a date that is not less than 30 days following written notice to the holders of the Warrants in the form of a press release, provided that such notice is issued within 10 Business Days of the Acceleration Event. The Corporation shall also give written notice to the holders of the Warrants not less than 15 days prior to the accelerated Expiry Date, in accordance with the procedures outlined in the Warrant Indenture.

The holder of this Warrant Certificate may subscribe for and purchase less than the number of Common Shares entitled to be subscribed for and purchased on surrender of this Warrant Certificate. If the subscription does not exhaust the Warrants represented by this Warrant Certificate, a Warrant Certificate representing the balance of the Warrants will be issued to the holder. No Warrant Certificate representing fractional Warrants will be issued and the holder hereof understands and agrees that such holder will not be entitled to any cash payment or other form of compensation in respect of a fractional Warrant. By acceptance hereof, the holder expressly waives any right to receive fractional Common Shares upon exercise hereof. If the number of Common Shares to which a Warrant holder would otherwise be entitled upon the exercise of this Warrant Certificate is not a whole number, then the number of Common Shares to be issued will be rounded down to the next whole number.

TSX Trust Company (the "**Warrant Agent**") at its offices in the City of Toronto, Ontario, has been appointed the warrant agent to receive subscriptions for Common Shares and payments from holders of Warrant Certificates. This Warrant Certificate, the subscription form (FORM 1), and a certified cheque, bank draft or money order shall be deemed to be surrendered to the Warrant Agent only upon delivery thereof or, if sent by post or other means of transmission, upon receipt thereof by the Warrant Agent at the office specified above. The Corporation may also provide for other places at which this Warrant Certificate may be surrendered for exchange or exercise. If mail is used for delivery of a Warrant Certificate, for the protection of the holder, registered mail should be used and sufficient time should be allowed to avoid the risk of late delivery. Subject to adjustment thereof in the events and in the manner set forth in the Warrant Indenture and summarized below, the price payable for each Common Share upon exercise of this Warrant Certificate shall be \$1.15.

Certificates representing Common Shares subscribed for and purchased will be mailed to the persons specified in the subscription form (FORM 1) at the respective addresses specified therein or, if so specified in the subscription form (FORM 1), delivered to such Persons at the office of the Warrant Agent in the City of Toronto, Ontario, when the

transfer books of the Corporation have been opened for five Business Days after the due surrender of such Warrant Certificate and payment as aforesaid, including any applicable taxes.

This Warrant Certificate may, upon compliance with the reasonable requirements and charges of the Warrant Agent, be divided by completing and executing FORM 2 and delivering the Warrant Certificate to the Warrant Agent.

The Warrants represented by this Warrant Certificate may only be transferred, upon compliance with the conditions prescribed in the Warrant Indenture, on the register of transfers to be kept at the principal office of the Warrant Agent in Toronto, Ontario, by the holder or his executors, administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Warrant Agent and, upon compliance with such requirements and such other reasonable requirements as the Warrant Agent may prescribe, such transfer will be duly recorded on such register of transfers by the Warrant Agent. Notwithstanding the foregoing, the Corporation will be entitled, and may direct the Warrant Agent, to refuse to record any transfer of any Warrant on such register if such transfer would constitute a violation of the securities laws of any jurisdiction.

This Warrant Certificate represents warrants of the Corporation issued or issuable under the provisions of a warrant indenture (which indenture together with all other instruments supplemental or ancillary thereto is herein referred to as the "**Warrant Indenture**") dated as of February 11, 2021, between the Corporation and the Warrant Agent, to which reference is hereby made for particulars of the rights of the holders of the Warrant Certificates, the Corporation and the Warrant Agent in respect thereof and the terms and conditions upon which the Warrants represented hereby are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth in full, to all of which the holder of this Warrant Certificate by acceptance hereof assents, it being expressly understood that the provisions of the Warrant Indenture and this Warrant Certificate are for the sole benefit of the Corporation, the Warrant Agent and the Warranholders. A copy of the Warrant Indenture may be obtained on request without charge from the Corporation at 120 Eglinton Avenue East, Suite 1107, Toronto, Ontario M4P 1E2, telephone (416) 862-7330. Words and terms in this Warrant Certificate with the initial letter or letters capitalized and not defined herein shall have the meanings ascribed to such capitalized words and terms in the Warrant Indenture.

Nothing contained in this Warrant Certificate, the Warrant Indenture or otherwise shall be construed as conferring upon the holder hereof any right or interest whatsoever as a holder of Common Shares or other shareholder of the Corporation or any other right or interest except as herein and in the Warrant Indenture expressly provided.

Neither the Warrants nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or U.S. state securities laws. The Warrants may not be exercised by a person in the United States, a U.S. Person, a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, a person executing or delivering the subscription form in the United States or a person requesting delivery in the United States of the Common Shares issuable upon such exercise, unless (i) this Warrant and such Common Shares have been registered under the U.S. Securities Act and the applicable laws of any such state, or (ii) an exemption from such registration requirements is available and the requirements set forth in the subscription form (FORM 1) have been satisfied. "United States" and "U.S. Person" are as defined in Regulation S under the U.S. Securities Act.

The Warrant Indenture provides for adjustments to the exercise price of the Warrants and to the number and kind of securities purchasable upon exercise upon the happening of certain stated events including the subdivision or consolidation of the Common Shares, certain distributions of Common Shares or securities exchangeable for or convertible into Common Shares or of other assets or property of the Corporation, certain offerings of rights, warrants or options and certain reorganizations. For more information please refer to the Warrant Indenture and in particular Article Four of the Warrant Indenture.

The Warrant Indenture provides for the giving of notice by the Corporation prior to taking certain actions specified therein. The Corporation may from time to time purchase any of the Warrants by private contract or otherwise. Any such Warrants purchased by the Corporation shall be cancelled.

This Warrant Certificate, the Warrants represented by this Warrant Certificate and the Warrant Indenture shall be governed by and performed, construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

This Warrant Certificate shall not be valid for any purpose until it has been countersigned by or on behalf of the Warrant Agent for the time being under the Warrant Indenture.

All dollar amounts in this Warrant Certificate are expressed in the lawful money of Canada.

*[Remainder of page intentionally left blank. Signature page follows.]*

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its proper officers this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**POET TECHNOLOGIES INC.**

By:

\_\_\_\_\_  
Authorized Officer

This Warrant Certificate is one of the Warrant Certificates referred to in the Warrant Indenture.

**TSX TRUST COMPANY, as Warrant**

**Agent**

**Toronto, Ontario**

By:

\_\_\_\_\_  
Authorized Signatory

Countersigned this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

## SUBSCRIPTION FORM

(FORM 1)

**TO: POET TECHNOLOGIES INC.**  
**AND TO: TSX Trust Company**  
100 Adelaide St W #301, Toronto, ON M5H 4H1  
Attn: Corporate Actions

THE HOLDER HEREBY SUBSCRIBES FOR \_\_\_\_\_ Common Shares of POET Technologies Inc. at \$1.15 per Common Share and on the other terms set out in the Warrant Certificate and Warrant Indenture and encloses herewith a certified cheque, bank draft or money order in Canadian dollars payable to "POET Technologies Inc." in payment of the aggregate subscription price therefor.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

(A) the undersigned holder at the time of exercise of the Warrants (i) is not present in the United States, (ii) is not a U.S. Person, (iii) is not exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, (iv) did not execute or deliver this subscription form in the United States; (v) has, in all other respects, complied with the terms of the Regulation S under the U.S. Securities Act in connection with such exercise; and (vi) is not requesting delivery in the United States of the Common Shares issuable upon such exercise;

OR

(B) the undersigned holder is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, (4) executing or delivering this subscription form in the United States, or (5) requesting delivery in the United States of the Common Shares issuable upon such exercise, and:

(i) is a Qualified Institutional Buyer that (x) is the original purchaser of the Units that include the Warrants being exercised, (y) executed and delivered a Subscription Agreement to the Corporation in connection with its purchase of such Units, and (z) hereby certifies that the representations, warranties and covenants made thereby (as a Qualified Institutional Buyer) in such Subscription Agreement remain true and correct;

(ii) is a U.S. Accredited Investor and the undersigned holder has delivered to the Corporation and the Corporation's transfer agent a completed and executed U.S. Warrantholder Letter in substantially the form contained on the Warrant Certificate (FORM 4); or

(iii) has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Corporation and the Corporation's transfer agent a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect.

It is understood that the Corporation and the Warrant Agent may require evidence to verify the foregoing representations.

- Notes: (1) Certificates representing Common Shares will not be registered or delivered to an address in the United States unless Box B above is checked.
- (2) If Box B(iii) above is checked, holders are encouraged to consult with the Corporation and the Warrant Agent in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation.

"United States" and "U.S. Person" are as defined in Rule 902 of Regulation S under the U.S. Securities Act.

The undersigned hereby irrevocably directs that the Common Shares be delivered, subject to the conditions set out in this certificate and the provisions of the Warrant Indenture, and that the said Common Shares be registered as follows:

Name(s) in Full and Social Insurance Number(s)	Address(es) (include postal code)	Number of Common Shares
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

TOTAL: \_\_\_\_\_

Please print full name in which certificate(s) are to be issued. If any of the Common Shares are to be issued to a Person or Persons other than the Warrantholder, the Warrantholder must pay to the Warrant Agent all requisite taxes or other government charges, if any. For the avoidance of doubt, Common Shares may only be issued to a Person or Persons other than the Warrantholder in compliance with the terms of the Warrant Indenture and in particular subsection 2.01(f) and Section 2.08 of the Warrant Indenture.

Once completed and executed, this Exercise Form must be mailed or delivered to TSX Trust Company at: **100 Adelaide Street West, Suite 301, Toronto, ON M5H 4H1, Attn: Corporate Actions.**

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Warrantholder

\_\_\_\_\_  
Signature Guaranteed\*

\* If the Common Shares are to be issued to Persons other than the registered holder of the Warrants, the signature of the registered holder must be guaranteed by a Canadian Schedule 1 chartered bank or an eligible guarantor institution with membership in an approved signature medallion program (STAMP, SEMP, NYSE, MSP). The guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from Treasury Branches, Credit Unions or Caisses Populaires unless they are members of the Stamp Medallion Program.

Print Name and Address in full below:

Name \_\_\_\_\_

Address \_\_\_\_\_

(Include Postal Code)

Please check box if certificates representing the Common Shares are to be delivered at the office of the Warrant Agent where this Warrant Certificate is surrendered, failing which the certificates will be mailed to the address set forth above. Note: Due to the COVID-19 outbreak, pick-up at the office of the Warrant Agent may not be possible. Warranholders selecting this option should contact the Warrant Agent to confirm availability of pick-up. Certificates will be delivered or mailed as soon as practicable after the surrender of this Warrant Certificate to the Warrant Agent.

**TO DIVIDE OR COMBINE WARRANT CERTIFICATES OR DRS ADVICES**

(FORM 2)

Fill in and sign this FORM 2 and surrender this Warrant Certificate or DRS Advice to the Warrant Agent in ample time for new Warrant Certificates or DRS Advices, as applicable, to be issued and used.

Deliver to the undersigned Warrantholder and in the name of the Warrantholder, at the address mentioned below, new certificates as follows:

\_\_\_\_\_ Certificate(s) / DRS Advice(s) for \_\_\_\_\_ Warrants each

\_\_\_\_\_ Certificate(s) / DRS Advice(s) for \_\_\_\_\_ Warrants each

\_\_\_\_\_ Certificate(s) / DRS Advice(s) for \_\_\_\_\_ Warrants each

The undersigned understands that the division or combination of the Warrant Certificate or DRS Advice can only be made in compliance with the terms of the Warrant Indenture and in particular subsection 2.01(f), and Section 2.08 of the Warrant Indenture.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Warrantholder

Print name and address in full below.

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
(Include Postal Code)



**FORM OF TRANSFER**

(FORM 3)

**TO: TSX Trust Company**  
100 Adelaide St W #301, Toronto, ON M5H 4H1

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers the Warrants represented by this Warrant Certificate or DRS Advice to:

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
(Include Postal Code)

and hereby irrevocably constitutes and appoints \_\_\_\_\_  
*(leave this space blank)*

as the attorney of the undersigned with full power of substitution to transfer the Warrants on the appropriate register of the Warrant Agent.

In the case of a warrant certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

- (A) the transfer is being made to the Corporation;
- (B) the transfer is being made outside the United States in accordance with Rule 904 of Regulation S under the U.S. Securities Act in circumstances where Rule 905 of Regulation S under the U.S. Securities Act does not apply, and in compliance with any applicable local securities laws and regulations and the holder has provided herewith the Declaration for Removal of Legend attached as Schedule B to the Warrant Indenture;
- (C) the transfer is being made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act and in accordance with applicable state securities laws; or
- (D) the transfer is being made in another transaction that does not require registration under the U.S. Securities Act or any applicable state securities laws.

In the case of a transfer in accordance with (C) or (D) above, the Warrant Agent and the Corporation shall first have received an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to such effect.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

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Signature Guaranteed

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Signature of Transferor\*\*

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Name of Transferor

\*\* The signature of the transferor must correspond in every particular with the surname and the first name(s) or initials shown on the face of this certificate or DRS Advice and the endorsement must be signature guaranteed, in either case, by a Canadian Schedule 1 chartered bank or an eligible guarantor institution with membership in an approved signature medallion program (STAMP, SEMP, NYSE, MSP). The guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from Treasury Branches, Credit Unions or Caisses Populaires unless they are members of the Stamp Medallion Program.

(FORM 4)

POET Technologies Inc.  
120 Eglinton Avenue East, Suite 1107  
Toronto, Ontario M4P 1E2

Attention: President and Chief Executive Officer

- and to -

TSX Trust Company, as Warrant Agent

Dear Sirs:

The undersigned is delivering this letter in connection with the purchase of common shares (the "**Common Shares**") of POET Technologies Inc., a corporation continued under the laws of Ontario (the "**Corporation**") upon the exercise of warrants of the Corporation ("**Warrants**"), issued under the warrant indenture, dated as of February 11, 2021 between the Corporation and TSX Trust Company.

The undersigned hereby represents and warrants to the Corporation that the undersigned, and each beneficial owner (each a "**Beneficial Owner**"), if any, on whose behalf the undersigned is exercising such Warrants, satisfies one or more of the following categories of accredited investor ("**U.S. Accredited Investor**") (**please write "W/H" for the undersigned holder, and "B/O" for each beneficial owner, if any, on each line that applies**):

- (a) \_\_\_\_\_ a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or a savings and loan association or other institution as defined in section 3(a)(5)(A) of the U.S. Securities Act whether acting in its individual or fiduciary capacity; any broker or dealer registered pursuant to section 15 of the U.S. Securities Exchange Act of 1934 or any insurance company as defined in Section 2(a)(13) of the U.S. Securities Act; an investment adviser registered pursuant to section 203 of the Investment Advisers Act of 1940 (the "**1940 IA Act**") or registered pursuant to the laws of a state; an investment adviser relying on the exemption from registering with the SEC under section 203(l) or (m) of the 1940 IA Act; an investment company registered under the United States Investment Company Act of 1940 (the "**1940 IC Act**") or a business development company as defined in section 2(a)(48) of the 1940 IC Act; a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the U.S. Small Business Investment Act of 1958; a Rural Business Investment Company as defined in Section 384A of the Consolidated Farm and Rural Development Act; a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, with total assets in excess of US\$5,000,000; an employee benefit plan within the meaning of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), where the investment decision is made by a plan fiduciary, as defined in section 3(21) of ERISA, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if an employee benefit plan with total assets in excess of US\$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are "accredited investors," as such term is defined in Rule 501 of Regulation D of the U.S. Securities Act;
- (b) \_\_\_\_\_ a private business development company as defined in section 202(a)(22) of the U.S. Investment Advisers Act of 1940, as amended;
- (c) \_\_\_\_\_ an organization described in section 501(c)(3) of the United States Internal Revenue Code, a corporation, a Massachusetts or similar business trust, a limited liability company or a partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of US\$5,000,000;
- (d) \_\_\_\_\_ a director or executive officer of the Corporation;

- (e) \_\_\_\_\_ a natural person (or an IRA (Individual Retirement Account) owned by such natural person) whose individual net worth, or joint net worth with that person's spouse, exceeds US\$1,000,000 (excluding the net value of any primary residence unless the amount due under mortgage(s) thereon exceeds the market value thereof or has increased in the last 60 days (other than due to the purchase of such primary residence), in which case such shortfall or increase shall be deducted from the natural person's net worth);
- (f) \_\_\_\_\_ a natural person (or an IRA (Individual Retirement Account) owned by such natural person) who had an individual income in excess of US\$200,000 in each of the two most recent years or joint income with that person's spouse in excess of US\$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- (g) \_\_\_\_\_ a trust with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person (i.e., a person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment) as described in Rule 506(b)(2)(ii) of Regulation D under the U.S. Securities Act;
- (h) \_\_\_\_\_ a revocable trust which may be revoked or amended by its settlors (creators), each of whom is an "accredited investor" under category (e) above;
- (i) \_\_\_\_\_ an entity in which each of the equity owners meets the requirements of at least one of the above categories (if this alternative is checked, you must identify each equity owner and provide statements signed by each demonstrating how each qualifies as an accredited investor);
- (j) \_\_\_\_\_ an entity of a type not listed within the foregoing categories, that is not formed for the specific purpose of acquiring the securities offered and owns investments in excess of \$5,000,000. For purposes of this clause, "investments" means investments as defined in Rule 2a51-1(b) under the 1940 IC Act;
- (k) \_\_\_\_\_ a natural person who holds, in good standing, one of the following professional licenses: the General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), or the Investment Adviser Representative license (Series 65);
- (l) \_\_\_\_\_ a family office, as defined in Rule 202(a)(11)(G)-1 under the 1940 IA Act, that (i) has assets under management in excess of \$5,000,000; (ii) is not formed for the specific purpose of acquiring the securities offered and (iii) has a person directing the prospective investment who has such knowledge and experience in financial and business matters so that the family office is capable of evaluating the merits and risks of the prospective investment; or
- (m) \_\_\_\_\_ a family client, as defined in Rule 202(a)(11)(G)-1 under the 1940 IA Act, of a family office meeting the requirements above.

The undersigned further represents and warrants to the Corporation that:

2. the undersigned has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Common Shares, and the undersigned is able to bear the economic risk of loss of his or her entire investment;
3. the undersigned is: (i) purchasing the Common Shares for his or her own account or for the account of one or more U.S. Accredited Investors with respect to which the undersigned is exercising sole investment discretion, and not on behalf of any other person; (ii) is purchasing the Common Shares for investment purposes only and not with a view to resale, distribution or other disposition in violation of United States federal or state securities laws; and (iii) in the case of the purchase by the undersigned of the Common Shares as agent or trustee for any other person or persons (each a "**Beneficial Owner**"), the undersigned holder has due and proper authority to act as agent or trustee for and on behalf of each such Beneficial Owner in connection with the transactions contemplated hereby; provided that: (x) if the undersigned holder, or any

Beneficial Owner, is a corporation, a limited liability company or a partnership, syndicate, trust or other form of unincorporated organization, the undersigned holder or each such Beneficial Owner was not incorporated or created solely, nor is it being used primarily, to permit purchases without a prospectus or registration statement under applicable law; and (y) each Beneficial Owner, if any, is a U.S. Accredited Investor;

4. the undersigned has not exercised the Warrants as a result of any form of general solicitation or general advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet or broadcast over radio, television, the Internet or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising; and
5. the funds representing the purchase price for the Common Shares, which will be advanced by the undersigned to the Corporation, will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act**"), and the undersigned acknowledges that the Corporation may in the future be required by law to disclose the undersigned's name and other information relating to this subscription form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the purchase price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and the undersigned shall promptly notify the Corporation if the undersigned discovers that any of such representations ceases to be true and provide the Corporation with appropriate information in connection therewith.

The undersigned also acknowledges and agrees that:

6. the Corporation has provided to the undersigned the opportunity to ask questions and receive answers concerning the terms and conditions of the offering, and the undersigned has had access to such information concerning the Corporation as he or she has considered necessary or appropriate in connection with his or her investment decision to acquire the Common Shares;
7. if the undersigned decides to offer, sell or otherwise transfer any of the Common Shares, the undersigned must not, and will not, offer, sell or otherwise transfer any of such Common Shares directly or indirectly, unless:
  - (a) the sale is to the Corporation (though the Corporation is under no obligation to purchase any such Common Shares);
  - (b) the sale is made outside the United States in accordance with Regulation S under the U.S. Securities Act and in compliance with applicable local laws and regulations;
  - (c) the sale is made in compliance with Rule 144 under the U.S. Securities Act, if available, and in accordance with applicable securities laws of any state, and the undersigned has prior to such sale furnished to the Corporation an opinion of counsel, in form and substance satisfactory to the Corporation; or
  - (d) the Common Shares are otherwise sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities, and it has prior to such sale furnished to the Corporation an opinion of counsel, in form and substance satisfactory to the Corporation;
8. the Common Shares are "restricted securities" (as defined in Rule 144(a)(3) under the U.S. Securities Act) and that the U.S. Securities Act and the rules of the United States Securities and Exchange Commission provide in substance that the undersigned may dispose of the Common Shares only pursuant to an effective registration statement under the U.S. Securities Act or an exemption or exclusion therefrom;

9. the Corporation has no obligation to register any of the Common Shares or to take any other action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder);
10. the certificates representing the Common Shares as well as all certificates issued in exchange for or in substitution of therefor, until such time as is no longer required under the applicable requirements of the U.S. Securities Act and applicable state securities laws, will bear, on the face of such certificate, a restrictive legend substantially in the form set forth in subsection 3.06(c) of the Warrant Indenture; provided that if the Common Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and the Corporation was a "foreign issuer" (as defined in Rule 902 of Regulation S) at the time of execution and delivery of this subscription form, such restrictive legend may be removed by providing a declaration to the registrar and transfer agent of the Corporation, substantially in the form annexed to the Warrant Indenture as Schedule B thereto (or in such other form as the Corporation may prescribe from time to time) and, if requested by the Corporation or transfer agent, an opinion of counsel, of recognized standing, in form and substance satisfactory to the Corporation to the effect that the transfer is in compliance with Rule 904 of Regulation S; and provided, further, that, if any Common Shares are being sold otherwise than in accordance with Regulation S and other than to the Corporation, the legend may be removed by delivery to the registrar and transfer agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws;
11. the financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, which differ in some respects from United States generally accepted accounting principles and, thus, may not be comparable to financial statements of United States companies;
12. there may be material tax consequences to the undersigned of an acquisition or holding or disposition of the Common Shares; the Corporation gives no opinion and makes no representation with respect to the tax consequences to the undersigned under United States federal, state, local or foreign tax law of the undersigned's acquisition, holding or disposition of such securities, and the undersigned acknowledges that it is solely responsible for determining the tax consequences of its investment; in particular, no representation has been made as to whether the Corporation is or will be a "passive foreign investment company" (commonly known as a "**PFIC**") within the meaning of Section 1297 of the United States Internal Revenue Code;
13. it consents to the Corporation making a notation on its records or giving instructions to any transfer agent of the Corporation in order to implement the restrictions on transfer set forth and described in this subscription form; and
14. it acknowledges and consents to the fact that the Corporation is collecting personal information (as that term is defined under applicable privacy legislation, including, without limitation, the Personal Information Protection and Electronic Documents Act (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect from time to time) of the undersigned for the purpose of facilitating the subscription for the Common Shares hereunder; the undersigned acknowledges and consents to the Corporation retaining such personal information for as long as permitted or required by law or business practices and agrees and acknowledges that the Corporation may use and disclose such personal information: (a) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the undersigned; (b) for use and disclosure for income tax-related purposes, including without limitation, where required by law disclosure to Canada Revenue Agency; (c) disclosure to professional advisers of the Corporation in connection with the performance of their professional services; (d) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trade or similar regulatory filings; (e) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure; (f) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with your prior written consent; (g) disclosure to a court determining the rights of the parties under this Agreement; and (h) for use and disclosure as otherwise required or permitted by law.

We acknowledge that you will rely upon our confirmations, acknowledgements and agreements set forth herein, and we agree to notify you promptly in writing if any of our representations or warranties herein ceases to be accurate or complete.

DATED \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Name of U.S. Warrantholder (**please print**)

**X**

\_\_\_\_\_  
Signature of individual (if U.S. Warrantholder is an individual)

**X**

\_\_\_\_\_  
Authorized signatory (if U.S. Warrantholder is **not** an individual)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**SCHEDULE B TO THE WARRANT INDENTURE DATED  
FEBRUARY 11, 2021 BETWEEN POET TECHNOLOGIES INC. AND  
TSX TRUST COMPANY**

FORM OF DECLARATION FOR REMOVAL OF LEGEND

**TO:** POET TECHNOLOGIES INC. (the "**Corporation**").

**AND TO:** TSX TRUST COMPANY, as registrar and transfer agent for the Warrants.

The undersigned (A) acknowledges that the sale of \_\_\_\_\_ (the "**Securities**") of the Corporation, represented by certificate number \_\_\_\_\_, to which this declaration relates (the "**Securities**") is being made in reliance on Rule 904 of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) it is not, and it was not at the time of the offer and sale of the Securities, (a) an "affiliate" of the Corporation (as defined in Rule 405 under the U.S. Securities Act), except solely by virtue of being an officer or director of the Corporation, (b) a "distributor" or (c) an affiliate of a distributor; (2) either (a) the offer of such Securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of the Toronto Stock Exchange, TSX Venture Exchange or another "designated offshore securities market" (as defined in Rule 902 of Regulation S), and neither the seller nor any person acting on its behalf knew that the transaction had been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" (as defined in Rule 902 of Regulation S) in the United States in connection with the offer and sale of such Securities; (4) the sale of the Securities is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the Securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the Securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**X**

\_\_\_\_\_  
Signature of individual (if Seller is an individual)

**X**

\_\_\_\_\_  
Authorized signatory (if Seller is **not** an individual)

\_\_\_\_\_  
Name of Seller (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)



**Affirmation by Seller's Broker-Dealer**  
**(Required for sales pursuant to Section (B)(2)(b) above)**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "Seller") dated \_\_\_\_\_, with regard to the sale, for such Seller's account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of designated offshore securities market, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S.

\_\_\_\_\_  
Name of Firm

By:

\_\_\_\_\_  
Authorized Officer

DATED \_\_\_\_\_, 20\_\_\_\_.

January 25, 2021

**STRICTLY PRIVATE AND CONFIDENTIAL**

**POET TECHNOLOGIES INC.**

120 Eglinton Avenue East, Suite 1107  
Toronto, Ontario, Canada  
M4P 1E2

**Attention: Suresh Venkatesan, Chief Executive Officer  
Thomas Mika, Chief Financial Officer**

**Re: Up to \$10.0 Million Best Efforts Private Placement Financing**

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Dear Sirs:

Cormark Securities Inc. (“**Cormark**” or the “**Lead Agent**”), on its own behalf and on behalf of a syndicate of agents (together, the “**Agents**”), is pleased to submit this proposal to act as the lead agent on a “best efforts” agency basis (and without underwriter liability) for the sale and issuance of a maximum of 11,800,000 units (the “**Units**”) of POET Technologies Inc. (the “**Company**”) from treasury at a price of \$0.85 per Unit (the “**Issue Price**”), for minimum gross proceeds of C\$10,030,000, in accordance with the terms and conditions set forth below and as detailed in the term sheet attached as Schedule “A” (the “**Offering**”).

Each Unit will consist of one Common Share (each a “**Common Share**”) of the Company and one warrant (each a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one Common Share at a price equal to \$1.15, for a period of 24 months following the Closing Date (as hereinafter defined).

If, following the date that is four months and one day after the date of issuance of the Units and prior to the expiry date, the daily volume-weighted average trading price of the Common Shares on the Exchange (as hereinafter defined) exceeds **\$2.30** for a period of ten (10) consecutive trading days, as adjusted in accordance with the Warrant terms (an “**Acceleration Event**”), the Company has the option to accelerate the expiry date of the warrants to a date that is not less than 30 days following written notice, issued by the Company in the form of a press release, provided that such notice is issued within ten (10) business days of the Acceleration Event. The Company shall also give written notice to the holders of the Warrants not less than 15 days prior to the accelerated expiry date of the Warrants.

The Agents will have the option (the “**Agents’ Option**”), exercisable in whole or in part, to arrange for the purchase of up to an additional 20% of Units (being up to 2,360,000 Units) sold under the Offering at the Issue Price. The Agents’ Option shall be exercisable, in whole or in part, until the time of closing on the Closing Date. The Agents shall be entitled to the same commission provided for below in respect of any Units issued and sold upon exercise of the Agents’ Option. The offering of the Units, including the Units issuable pursuant to the Agents’ Option, is hereinafter referred to as the “**Offering**”.

All dollar amounts quoted herein are in Canadian dollars.

This Offering is subject to the following terms and conditions, including the schedules attached hereto, each of which is incorporated herein by reference:

**TORONTO**

Royal Bank Plaza, North Tower  
200 Bay Street, Suite 1800  
Toronto, Ontario M5J 2J2

Phone: (416) 362-7485  
Fax: (416) 943-6499  
Toll Free: (800) 461-2275

**CALGARY**

Eighth Avenue Place  
525-8th Avenue S.W., Suite 4800  
Calgary, Alberta T2P 3C4

Phone: (403) 266-4240  
Fax: (403) 266-4250  
Toll Free: (800) 461-9491

1. **Offering Basis** – The Lead Agent agrees to act on a best efforts agency basis in connection with the Offering.
2. **Syndication** – The Lead Agent shall form a syndicate, as necessary, to participate in the placement of the Units, subject to prior consultation with the Company. The Lead Agent shall be entitled to a syndicate position of not less than 75%. Subject to the above, the Lead Agent shall control such syndicate agreements.
3. **Trading Halt** – Upon acceptance of this Offering by the Company, Cormark will, if deemed necessary, notify the Investment Industry Regulatory Organization of Canada (“**IIROC**”) and will request a trading halt on the TSX Venture Exchange (the “**Exchange**”), if deemed necessary.
4. **Offering Jurisdictions** – The Offering will be marketed (i) to investors in Canada on a private placement basis pursuant to an applicable exemption from the prospectus requirements contained in the securities legislation of such Canadian Province; (ii) in the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended; and (iii) to investors resident in jurisdictions outside of Canada and the U.S., in each case in accordance with all applicable laws provided that no prospectus, registration statement or similar document is required to be filed in such foreign jurisdiction.
5. **Due Diligence** – The Company shall allow the Agents to conduct all due diligence investigations with respect to the Company which the Agents may reasonably require to fulfil their obligations. Management of the Company shall make themselves reasonably available to respond to the due diligence inquiries (including an oral due diligence session at which management of the Company and its respective legal counsel and auditors shall participate) as the Agents shall reasonably request. If requested by Cormark, the Company shall cause its auditor to review all necessary financial statements of the Company and participate in a due diligence session with the Agents.

The Company hereby represents and warrants to the Agents that there is no publicly undisclosed material change or material fact relating to the Company. Further, the Company represents and warrants that the information available under the Company’s profile at [www.sedar.com](http://www.sedar.com) was accurate and complete on the date of filing such information and such information does not contain a misrepresentation. The Lead Agent may terminate this letter agreement at any time if, in its sole discretion, the findings of such due diligence investigation are not to the complete satisfaction of the Agents.

6. **Approvals & Opinions** – On the Closing Date (as hereinafter defined), the Company shall deliver to the Agents (i) evidence of all requisite corporate, regulatory and stock exchange approvals; (ii) certificates of responsible officers of the Company; (iii) favourable legal opinions of counsel to the Company, including U.S. counsel to the extent the Company has specifically authorized the Agents to offer Units for sale to U.S. persons, in respect of (A) customary corporate and securities matters; and (B) relating to the corporate existence and ownership of the Company’s material subsidiaries, if any; and (iv) such other documents as the Agents may reasonably request, in each case in a form customary for transactions of this nature and all in a form satisfactory to the Agents, acting reasonably.
7. **Agency Agreement** – The terms of the Offering shall be subject to the provisions of a definitive agency agreement (the “**Agency Agreement**”) to be entered into by the Company and the Agents, to be negotiated by the parties in good faith, which Agency Agreement will contain representations, warranties, conditions, covenants, indemnities and termination provisions customary for agreements of this nature, including without limitation, those provisions listed herein.

The parties understand that this letter agreement and the agency commitment shall be on a best efforts agency basis. The ability of the Agents to sell the Units in connection with the Offering will be contingent upon numerous factors including the market conditions at the time of the Offering, results of due diligence, and current and future forecasts of financial results and budgets for the Company. It is understood that this letter agreement is not an underwriting agreement or other legally binding commitment of the Agents to purchase the Units.

8. **Agent Fees** – In consideration of the services to be rendered by the Agents in connection with the Offering, the Company shall pay to the Agents, a cash fee (the “**Agency Fee**”) equal to 6.0% of the gross proceeds realized by the Company in respect of the sale of the Units. The Agency Fee shall be payable concurrently with the completion of the Offering. The Company shall also issue to the Agents broker warrants (the “**Broker Units**”), which will expire 24 months from the Closing Date, to purchase that number of additional common shares of the company as is equal to 6.0% of the number of Units sold in the Offering at the Issue Price.
9. **Expenses** – The Company will pay all of its expenses and fees in connection with the Offering, including, without limitation: (i) all expenses of or incidental to the creation, issue, sale, distribution and qualification of the Units; (ii) the fees and expenses of the Company’s legal counsel; and (iii) all costs incurred in connection with the preparation of documentation relating to the Offering. In addition, the Company shall reimburse the Agents for reasonable fees and disbursements of the Agents’ legal counsel (not to exceed \$85,000 exclusive of disbursements and applicable taxes, and exclusive of any fees and disbursements of United States counsel retained, with the specific authorization of the Company, by the Agents), and all reasonable “out-of-pocket” expenses of the Agents including, but not limited to, any advertising, printing, courier, telecommunications, data search, travel and other expenses incurred by the Agents, together with related GST. All fees and expenses payable by the Company in accordance with this Section 9 shall be payable whether or not the Offering is completed.
10. **Closing Date** – Subject to receipt of all necessary regulatory approvals (including the approval of the TSXV), closing of the Offering is expected to occur on or about February 11, 2021 (the “**Closing Date**”).
11. **Marketing** – The Company shall ensure that its senior officers are available to participate in the marketing of the Offering, including attendance at roadshows, investor meetings and assisting in the preparation of marketing materials. All orders and expressions of interest shall be referred to Cormark.
12. **Indemnity** – In connection with this engagement, the Company agrees to provide the Agents with the indemnity set out in Schedule “C” attached hereto and which forms a part of this letter agreement. It is understood and agreed that the indemnity provisions to be contained in the Agency Agreement will supersede this indemnity and will be customary and commercially reasonable for a transaction of this nature and will indemnify the Agents. Until superseded, this letter agreement and the indemnity provisions contained in Schedule “C” will enure to the benefit of the respective successors and assigns of Cormark and of the indemnified parties named in Schedule “C”, and the obligations and liabilities assumed in this letter agreement and in the indemnity agreement contained in Schedule “C” will be binding upon their respective successors and assigns. For greater certainty, neither the Company nor Cormark may assign this letter agreement or its obligations contained in Schedule “C” without the prior written consent of the other.
13. **Standstill Period** – The Company agrees it shall not, without the prior written consent of Cormark, on behalf of the Agents, after discussion therewith, which consent shall not be unreasonably withheld, directly or indirectly offer, issue, pledge, sell, contract to sell, announce an intention to

sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise lend, transfer or dispose of, directly or indirectly, any Common Shares or securities convertible into or exchangeable for Common Shares of the Company, other than: (i) the issuance of Common Shares in connection with the exercise of any currently outstanding options of the Company, (ii) the issuance of options to acquire Common Shares pursuant to the Company's stock option plan, and the issuance of Common Shares in connection with the exercise of any such options, (iii) the issuance of awards pursuant to the Company's incentive award plan; (iv) the issuance of Common Shares pursuant to the dividend reinvestment plan of the Company, (v) the issuance of securities in connection with a NASDAQ listing, and (vi) to satisfy any other currently outstanding instruments or other contractual commitments in relation to any transaction that has been disclosed to the Agents, for a period ending 120 days after the Closing Date. Such consent shall not be unreasonably withheld by Cormark.

14. **Lock-Up Period** – The Company shall use its best efforts to cause senior management and directors of the board of the Company to agree in a lock-up agreement to be executed concurrently with the closing of the Offering that, for a period of 120 days following the closing of the Offering, that each such individual will not, directly or indirectly, offer, sell, dispose of or otherwise monetize the economic value of any securities in the Company beneficially owned by such shareholder, without the prior written consent of Cormark, subject to the following exceptions: (i) if the Company receives an offer, which has not been withdrawn, to enter into a transaction or arrangement, or proposed transaction or arrangement, pursuant to which, if entered into or completed substantially in accordance with its terms, a party could, directly or indirectly acquire an interest (including an economic interest) in, or become the holder of, 100% of the total number of voting shares of the Company, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buyback, securities issue, reverse takeover, dual-listed Company structure or other synthetic merger, transaction or arrangement; (ii) in respect of sales to affiliates of such shareholder; (iii) as a result of the death of any individual shareholder, and (iv) in respect of convertible securities and the securities issuable thereunder, the term of which will expire during such lock-up period..
15. **Press Releases** – Subject to compliance with applicable law, any press release of the Company or any of its subsidiaries relating to the Offering will be provided in advance to the Agent. The Company will agree to the form and content thereof with the Agent prior to the release thereof. More particularly, in order to comply with applicable U.S. securities laws, no press release will be issued by the Company or any of its subsidiaries concerning the Offering from the date hereof, and any press release issued concerning the Offering shall include the following: *“Not for distribution to U.S. news wire services or dissemination in the United States.”*
16. **Confidentiality** – The Agents agree, and each of the Agents' subsidiaries and affiliates agree, and each of its directors, officers, employees and Agents (the **“Personnel”**) agree, subject to any applicable laws and regulations which may require disclosure, to take all reasonable steps to keep all material undisclosed information or documents relating to the Company and its subsidiaries (**“Confidential Information”**) confidential and not use the Confidential Information except to the extent necessary for the performance of their services hereunder in connection with the Offering. The Agents and the Personnel will ensure that Confidential Information is only disclosed to those persons who need to know the Confidential Information for the purpose of the Offering and will ensure that such persons are aware of the obligations of confidentiality in relation to such Confidential Information.
17. **Representations & Warranties** – The Company represents and warrants to the Agents that, as of the date hereof, there are no material facts or material changes relating to the Company, which have not been publicly disclosed and the Company shall advise the Agents promptly of any material

change, actual or contemplated, of which it is or becomes aware of relating to the securities, assets, business or affairs of the Company prior to the closing of the Offering. The Company also represents and warrants to the Agents, and acknowledges that the Agents are relying upon such representations and warranties, that: (i) it has the requisite power, authority and capacity to enter into this letter agreement and to perform the transactions contemplated herein and, (ii) it is not party to any instrument which restricts or might restrict its ability to perform the transactions contemplated herein.

The Company represents and warrants that it has not made any significant acquisition as such term is defined in Part 8 of National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”) in its current financial year or the two prior financial years for which a business acquisition report has not been filed under NI 51-102, and has not entered into any agreement or arrangement in respect of a transaction that would be a significant acquisition for purposes of Part 8 of NI 51-102. The Company represents and warrants to the Agents that it has not filed a confidential change report in respect of a change, fact or other information which has not been subsequently disclosed.

18. **Termination** – The Lead Agent may terminate this letter agreement by notice to the Company at any time prior to the signing of the Agency Agreement if:
- a) the Agents are not satisfied, in their sole discretion, acting reasonably, with its due diligence review and investigations of the Company or its subsidiaries, or any of the respective officers or directors thereof;
  - b) there is, in the sole opinion of the Lead Agent, acting reasonably, a material change or a change in any material fact or a new material fact shall arise or there should be discovered any previous undisclosed material fact which would be expected to have an adverse change or effect on the business, affairs, prospects or financial condition of the Company or its subsidiaries, or any of their respective material properties or on the market price or the value or marketability of the Units or any other securities of the Company;
  - c) the state of the financial markets, whether national or international, is such that, in the sole opinion of the Lead Agent, acting reasonably, it would be impractical or unprofitable to offer or continue to offer the Units for sale;
  - d) there should develop, occur or come into effect any event of any nature, including without limitation, accident, act of terrorism, public protest, governmental policy or action, change in applicable law or regulation, or other occurrence of any nature whatsoever, including by a result of the novel coronavirus (COVID-19) pandemic, which in the sole opinion of the Lead Agent, acting reasonably, adversely affects or may adversely affect the financial markets or the business, affairs, prospects or financial condition of the Company, its subsidiaries or their respective material properties or the market price or the value or marketability of the Units or any other securities of the Company;
  - e) there is an inquiry, action, suit, proceeding or investigation (whether formal or informal) commenced, announced or threatened by any securities regulatory authority in relation to the Company, its subsidiaries, or any one of their respective officers or directors, or any of their respective principal shareholders; or
  - f) the Company is in breach of a material term, condition or covenant of this letter agreement, or any representation or warranty given by the Company in this letter agreement becomes or is false.

19. **Term of Engagement and Enforceability** – The engagement of the Agents pursuant to this letter agreement shall commence on the date of this letter agreement and shall terminate six months from the date of this letter agreement (whether or not the Offering is completed) except to the extent superseded by the Agency Agreement referred to herein, or otherwise agreed upon by the Company and the Agents. If one or more provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this letter agreement, but this letter agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein. The provisions of paragraphs 9, 12, 13, 14, 16, 17, 21 and 22 shall survive the completion of the Offering and shall survive the termination of this letter agreement.
20. **Time Shall be of the Essence** – Time shall be of the essence with respect to the agreements contained in this letter and all aspects hereof.
21. **Entire Agreement** – The provisions herein contained constitute the entire agreement between the parties hereto with respect to the Offering and the engagement and supersedes all previous communications, representations, understandings and agreements between the parties with respect to the subject matter hereof, whether verbal or written.
22. **Governing Law** – This letter agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
23. **Compliance with Applicable Securities Laws** – The Agents covenant, represent and warrant to the Company that they: (a) will comply with all applicable securities legislation, regulations, rules, policy statements, blanket rulings and orders of all jurisdictions in which they solicit or procure subscriptions in connection with the Offering; (b) will not solicit or procure subscriptions for Units so as to require registration thereof or filing of a prospectus with respect thereto under the laws of any jurisdiction; (c) will not solicit offers to purchase or sell the Units in any jurisdiction outside of Canada where the solicitation or sale of the Units would result in any ongoing statutory disclosure requirements of the Company in such jurisdiction or any registration requirements of the Company in any such jurisdiction except for the filing of a notice or report of the solicitation or sale; (d) will be duly registered in the jurisdictions in which they solicit or procure subscriptions in connection with the Units; (e) will obtain from each purchaser an executed subscription agreement in a form reasonably acceptable to the Company and to the Agents relating to the transactions herein contemplated.
24. **Publication** – If the Offering is successfully completed, the Agents shall be permitted to publish, at their own expense, after giving the Company a reasonable opportunity to comment on the form and content thereof, such advertisements or announcements relating to the performance of services provided hereunder in such newspaper or other publications as the Agents consider appropriate, and shall further be permitted to post such advertisements or announcements on their websites.
25. **Counterparts** – This letter may be executed in any number of counterparts, each of which when delivered, either in original or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the same document.

[signature page follows]

Should you wish to accept this Offering, please sign and return one copy of this letter to our attention prior to 11:30 p.m. (ET) on January 25, 2021.


Yours very truly,

**CORMARK SECURITIES INC.**

Per:  \_\_\_\_\_  
James Austen  
Managing Director, Investment Banking

The foregoing is in accordance with our understanding and is agreed to by us as of the 25 day of January, 2021.

**POET TECHNOLOGIES INC.**

Per:  \_\_\_\_\_  
Thomas R. Mika  
Chief Financial Officer



## SCHEDULE “A”

### POET TECHNOLOGIES INC.

#### Terms and Conditions of Best Efforts Private Placement of Units

---

(All amounts shown in C\$)

- Issuer:** POET Technologies Inc. (the “**Company**”).
- Offering:** Treasury offering of maximum 11,800,000 Units (the “**Units**”) before giving effect to the Agents’ Option. Each Unit shall consist of one (1) Common Share (each a “**Common Share**”) and one one warrant (each a “**Warrant**”).
- Issue Price:** \$0.85 per Unit (the “**Issue Price**”).
- Offering Proceeds:** Up to \$10,030,000 (the “**Offering Proceeds**”).
- Agents’ Option:** The Company has granted the Agents an option (the “**Agents’ Option**”), exercisable in whole or in part, at the Issue Price at any time until closing of the Offering, to purchase up to an additional 20% of the Offering (2,360,000 Units).
- Warrants:** Each Warrant will entitle the holder thereof to purchase one (1) Common Share at a price equal to \$0.85, for a period of 24 months following the Closing Date (as hereinafter defined). If, following the date that is four months and one day after the Closing Date and prior to the expiry date of the Warrants, the daily volume-weighted average trading price of the Common Shares on the TSXV exceeds C\$2.30 for a period of at least ten consecutive trading days, the Company may accelerate the warrant expiry date.
- Use of Proceeds:** The proceeds from the Offering shall be used for general corporate purposes.
- Offering Basis:** Offered on a best efforts agency private placement basis in: (i) each of the provinces of Canada (the “**Canadian Offering Jurisdictions**”); (ii) the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended; and (iii) jurisdictions outside of Canada and the United States, in each case in accordance with all applicable laws provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction.
- Eligibility:** Eligible for RRSPs, RRIFs and TFSAs.
- Listing:** Application will be made to list the Common Shares underlying the Units and Common Shares underlying the Warrants on the TSX Venture Exchange (the “**TSXV**”). The existing Common shares of the Company are listed on the TSXV under the symbol “PTK”.

- Commission:** The Company shall pay to the Agents a cash commission equal to 6.0% of the gross proceeds from the sale of the Units (including any exercise of the Agents' Option). In addition, the Company shall issue to the Agents that number of broker warrants (the "**Broker Warrants**"), which will expire 24 months from the Closing Date (as defined below), to purchase that number of additional Common Shares equal to 6.0% of the number of Units sold in the Offering at the Issue Price.
- Lock-Up Period:** The Company agrees to not issue any Common Shares or other securities convertible into Common Shares for a period of 120 days from the Closing Date without the prior written consent of the Agents, in all cases such consent not to be unreasonably withheld or delayed.
- Lead Agent:** Cormark Securities Inc.
- Closing Date:** Subject to TSXV approval (including with respect to obtaining an exemption from the shareholder vote requirement), on or about February 11, 2021.
- Hold Period:** The securities issued pursuant to the Offering will be subject to a statutory four-month hold period.

**SCHEDULE "B"**

**DRAFT PRESS RELEASE**

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*Attached as separate document*

## SCHEDULE "C"

### POET Technologies Inc.

#### INDEMNITY

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The **Company** together with its subsidiaries, as the case may be, (collectively, the "**Indemnitor**"), hereby agree to indemnify and hold Cormark Securities Inc. and each other member of the syndicate (collective, the "**Agents**"), each of their subsidiaries and affiliates, and each of their directors, officers, employees, unitholders and agents (hereinafter referred to as the "**Personnel**") harmless from and against any and all expenses, losses (excluding loss of profits and other forms of consequential loss), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel, that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which the Agents and/or their Personnel may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agents and their Personnel hereunder, or otherwise in connection with the matters referred to in the letter agreement to which this indemnity is attached (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against the Agents and/or their Personnel), unless such actual or threatened claim, action, suit, investigation or proceeding has been caused solely by or is the result of the negligence, willful misconduct or fraud of the Agents or any of their Personnel. Without limiting the generality of the foregoing, this indemnity shall apply to all expenses (including legal expenses), losses, claims and liabilities that the Agents and/or their Personnel may incur as a result of any action or litigation that may be threatened or brought against the Agents and/or their Personnel.

If for any reason, the foregoing indemnification is unavailable to the Agents or any Personnel or insufficient to hold the Agents or any Personnel harmless, then the Indemnitor shall contribute to the amount paid or payable by the Agents or any Personnel as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agents or any Personnel on the other hand but also the relative fault of the Indemnitor and the Agents or any Personnel, as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the amount paid or payable by the Agents or any Personnel as a result of such expense, loss, claim, damage or liability and any excess of such amount over the amount of the fees received by the Agents hereunder pursuant to the letter to which this is attached.

The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Agents or their Personnel by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or shall investigate the Indemnitor and/or the Agents, and/or any Personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by the Agents, the Indemnitor shall reimburse the Agents monthly for the time spent by their Personnel in connection therewith at their normal per diem rates and the Agents shall have the right to employ their own counsel in connection therewith provided the Agents act reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel (provided that there be only one such counsel in any single jurisdiction) as well as the reasonable costs (including an amount to reimburse the Agents for time spent by the Agents or their Personnel in connection therewith unless such proceeding has been caused solely by or is the result of the gross negligence or fraud of the Agents or any of their Personnel) and out-of-

pocket expenses incurred by the Agents or their Personnel in connection therewith shall be paid by the Indemnitor as they occur.

Promptly after receipt of notice of the commencement of any legal proceeding against the Agents or their Personnel or after receipt of notice of the commencement or any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agents will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. However, the failure by the Agents to notify the Indemnitor will not relieve the Indemnitor of its obligations to indemnify the Agents and/or any Personnel. The Indemnitor shall on behalf of itself and the Agents and/or any Personnel, as applicable, be entitled to (but not required) to assume the defence of any suit brought to enforce such legal proceeding; provided, however, that the defence shall be conducted through legal counsel acceptable to the Agents and/or any Personnel, as applicable, acting reasonably, that no settlement of any such legal proceeding may be made by the Indemnitor without the prior written consent of the Agents and/or any Personnel, acting reasonably, as applicable, and none of the Agents and/or any Personnel, as applicable, shall be liable for any settlement of any such legal proceeding unless it has consented in writing to such settlement, such consent not to be unreasonably withheld. The Agents and their Personnel shall have the right to appoint their own separate counsel at the Indemnitor's cost provided the Agents act reasonably in selecting such counsel.

The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agents and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agents and any of the Personnel. The foregoing provisions shall survive the completion of professional services rendered under the letter agreement or transaction referred to therein to which this schedule is attached or any termination of the authorization given by the letter agreement to which this is attached.

January 26, 2021

**STRICTLY PRIVATE AND CONFIDENTIAL**

**POET TECHNOLOGIES INC.**

120 Eglinton Avenue East, Suite 1107  
Toronto, Ontario, Canada  
M4P 1E2

**Attention: Suresh Venkatesan, Chief Executive Officer  
Thomas R. Mika, Chief Financial Officer**

**Re: Best Efforts Private Placement Financing for POET Technologies Inc.**

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Dear Sir:

We refer to our letter agreement dated January 25, 2021 (the “**Letter Agreement**”) in which Cormark Securities Inc. (“**Cormark**”), on behalf of a syndicate of agents (the “**Agents**”), agreed to act as the lead agent on a “best efforts” agency basis for the sale and issuance of a maximum of 11,800,000 units (the “**Units**”) of POET Technologies Inc. (the “**Company**”) from treasury at a price of \$0.85 per Unit (the “**Issue Price**”) for minimum gross proceeds of C\$10,030,000 (the “**Offering**”). The Company also granted the Agents the option (the “**Agents’ Option**”), exercisable, in whole or in part, to arrange for the purchase of up to an additional 20% of Units sold under the Offering at the Issue Price, up until the time of closing of the Offering.

Cormark, on its own behalf and on behalf of the Agents, hereby agrees to amend the Letter Agreement and act as the lead agent on a “best efforts” agency basis for the sale and issuance of an additional 2,906,000 Units on the same terms and conditions as set out in the Letter Agreement, for an amended aggregate of 14,706,000 Units and for amended aggregate gross proceeds of C\$12,500,100. Cormark, on its own behalf and on behalf of the Agents, also hereby agrees to increase the Agents’ Option, exercisable in whole or in part, up until the time of closing of the Offering, to purchase up to an additional 2,941,200 Units at the Issue Price, for amended aggregate gross proceeds of C\$15,000,120 if the Agents’ Option is exercised in its entirety (the “**Amended Offering**”).

In all other respects the terms of the Letter Agreement remain in full force and effect, unamended.

The terms and conditions of the Amended Offering are detailed in the term sheet attached as “**Schedule A**”.

Forthwith upon your acceptance of the Amended Offering, Cormark on behalf of the Company will issue a press release (as attached hereto as “**Schedule B**”) in Canada only, respecting the agreement formed hereby.

*[Remainder of the page intentionally left blank; signature page follows]*

Should the foregoing correspond with your understanding of the terms of the amendment to the Offering, please sign and return one copy of this letter to our attention.

Yours truly,

**CORMARK SECURITIES INC.**

Per:   
\_\_\_\_\_  
James Austen  
Managing Director, Investment Banking

Accepted and agreed to this 26<sup>th</sup> day of January 2021.

**POET TECHNOLOGIES INC.**

Per:   
\_\_\_\_\_  
Thomas R. Mika  
Chief Financial Officer

## SCHEDULE "A"

### POET TECHNOLOGIES INC.

#### Terms and Conditions of Best Efforts Private Placement of Units

---

(All amounts shown in C\$)

- Issuer:** POET Technologies Inc. (the "**Company**").
- Offering:** Treasury offering of maximum 14,706,000 Units (the "**Units**") before giving effect to the Agents' Option. Each Unit shall consist of one (1) Common Share (each a "**Common Share**") and one (1) Warrant (each a "**Warrant**").
- Issue Price:** \$0.85 per Unit (the "**Issue Price**").
- Offering Proceeds:** Up to \$12,500,100 (the "**Offering Proceeds**").
- Agents' Option:** The Company has granted the Agents an option (the "**Agents' Option**"), exercisable in whole or in part, at the Issue Price at any time until closing of the Offering, to purchase up to an additional 20% of the Offering (2,941,200 Units).
- Warrants:** Each Warrant will entitle the holder thereof to purchase one (1) Common Share at a price equal to \$0.85, for a period of 24 months following the Closing Date (as hereinafter defined). If, following the date that is four months and one day after the Closing Date and prior to the expiry date of the Warrants, the daily volume-weighted average trading price of the Common Shares on the TSXV exceeds C\$2.30 for a period of at least ten consecutive trading days, the Company may accelerate the warrant expiry date.
- Use of Proceeds:** The proceeds from the Offering shall be used for general corporate purposes.
- Offering Basis:** Offered on a best efforts agency private placement basis in: (i) each of the provinces of Canada (the "**Canadian Offering Jurisdictions**"); (ii) the United States on a private placement basis pursuant to an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended; and (iii) jurisdictions outside of Canada and the United States, in each case in accordance with all applicable laws provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction.
- Eligibility:** Eligible for RRSPs, RRIFs and TFSAs.
- Listing:** Application will be made to list the Common Shares underlying the Units and Common Shares underlying the Warrants on the TSX Venture



Exchange (the “**TSXV**”). The existing Common shares of the Company are listed on the TSXV under the symbol “PTK”.

**Commission:** The Company shall pay to the Agents a cash commission equal to 6.0% of the gross proceeds from the sale of the Units (including any exercise of the Agents’ Option). In addition, the Company shall issue to the Agents that number of broker warrants (the “**Broker Warrants**”), which will expire 24 months from the Closing Date (as defined below), to purchase that number of additional Common Shares equal to 6.0% of the number of Units sold in the Offering at the Issue Price.

**Lock-Up Period:** The Company agrees to not issue any Common Shares or other securities convertible into Common Shares for a period of 120 days from the Closing Date without the prior written consent of the Agents, in all cases such consent not to be unreasonably withheld or delayed.

<b>Syndicate:</b>	Cormark Securities Inc. <sup>(1)</sup>	75%
	IBK Capital Corp.	15%
	PI Financial Corp.	10%

*(1) Lead Agent and Bookrunner; 6% Work Fee*

**Closing Date:** Subject to TSXV approval (including with respect to obtaining an exemption from the shareholder vote requirement), on or about February 11, 2021.

**Hold Period:** The securities issued pursuant to the Offering will be subject to a statutory four-month hold period.

**SCHEDULE "B"**

**FORM OF PRESS RELEASE**

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*Attached as separate document*

**SUBSCRIPTION FOR UNITS**

**TO: POET TECHNOLOGIES INC. (the "Corporation")**

**AND TO: CORMARK SECURITIES INC., IBK CAPITAL CORP. AND PI FINANCIAL CORP. (collectively, the "Agents")**

**AND TO: THE U.S. AFFILIATES (as defined herein)**

The undersigned (the "**Subscriber**") hereby irrevocably subscribes for and agrees to purchase from the Corporation the number of units of the Corporation (the "**Units**") set forth below for the aggregate subscription price set forth below, representing a subscription price of \$0.85 per Unit (the "**Subscription Price**"), upon and subject to the terms and conditions set forth in this Subscription Agreement (as defined herein), including the attached "Terms and Conditions of Subscription", including, without limitation, the representations, warranties and covenants set forth in the applicable schedules attached hereto and the "Term Sheet" attached hereto as Schedule A (the "**Term Sheet**"). The Subscriber further agrees, without limitation, that the Corporation and the Agents may rely upon the Subscriber's representations, warranties and covenants contained in this Subscription Agreement. **In addition to this face page, the Subscriber must also complete all applicable schedules attached hereto.**

**SUBSCRIPTION AND SUBSCRIBER INFORMATION**

**Please print all information (other than signatures), as applicable, in the space provided below.**

_____ (Name of Subscriber)
Account Reference (if applicable): _____
By: _____ (Authorized Signatory)
_____ (Official Capacity or Title – if the Subscriber is not an individual)
_____ (Name of individual whose signature appears above if different than the name of the Subscriber printed above.)
_____ (Subscriber's Residential Address, including Province/State and Postal/ZIP Code)
_____ _____ (Telephone Number)
_____ (E-mail Address)

Number of Units: _____ x <u>\$0.85</u> = _____ Aggregate Subscription Price: _____
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<p><b>Please complete if purchasing as agent or trustee for a principal (beneficial purchaser) (a "Disclosed Principal") and not purchasing as agent or trustee for accounts fully managed by it (and, if applicable, ensure that <u>Schedule B</u> is completed in respect of each Disclosed Principal):</b></p> _____ (Name of Disclosed Principal)
_____ (Disclosed Principal's Residential Address including Province/State and Postal/ZIP Code)
_____ (Disclosed Principal's Telephone Number)

<p><b>Account Registration Information:</b></p> _____ (Name)
_____ (Account Reference, if applicable)
_____ (Address, including Postal/ZIP Code)

<p><b>Delivery Instructions as set forth below:</b></p> <input type="checkbox"/> Same address as account registration, or
_____ (Name)
_____ (Account Reference, if applicable)
_____ (Address including Province/State and Postal/ZIP Code)
_____ (Contact Name)

Number and kind of securities of the Corporation held (directly or indirectly, beneficially owned or controlled), if any: _____ _____
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**ACCEPTANCE**

The Corporation hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

Dated as of the \_\_\_\_ day of \_\_\_\_\_, 2021.

**POET TECHNOLOGIES INC.**

By: \_\_\_\_\_  
Authorized Signing Officer

**POET TECHNOLOGIES INC.**

**SUBSCRIPTION FOR UNITS**

**INSTRUCTIONS**

**PLEASE MAKE SURE THAT YOUR SUBSCRIPTION INCLUDES:**

1. All Subscribers: a completed and signed copy of the face page of this Subscription Agreement.
2. All Subscribers: payment by certified cheque, money order, bank draft, wire transfer or other acceptable means in the amount of the Aggregate Subscription Price payable to one of the Agents.
3. Subscribers resident in Canada: a completed and signed copy of the Subscriber Certificate attached hereto as Schedule B, including, if applicable, a completed and signed original Form 45-106F9 - *Form for Individual Accredited Investors* appended as Appendix A to Schedule B.
4. Subscribers who are, or are subscribing for the account or benefit of, persons in the United States or U.S. Persons: a completed and signed copy of the United States Subscribers Representation Letter attached hereto as Schedule C.
5. Offshore Subscribers: a completed and signed copy of the Foreign Subscriber Purchaser's Certificate attached hereto as Schedule D.
6. All Subscribers: a completed and signed copy of the TSXV Subscriber Information Sheet attached hereto as Schedule E, including a completed and signed copy of Appendix A thereto, if applicable.

**PROCEDURE AND DELIVERY:**

**Subscription forms should be completed, signed and delivered with payment, by no later than 4:00 p.m. (Toronto time) on Friday, February 5, 2021 (or such other time, date or place as the Subscriber may be advised), to:**

Cormark Securities Inc.  
Royal Bank Plaza, South Tower  
200 Bay Street, Suite 1800  
Toronto, Ontario M5J 2J2

Attention: Equity Capital Markets  
Fax: 416.943.6496  
Email: [ecm@cormark.com](mailto:ecm@cormark.com)

## TERMS AND CONDITIONS OF SUBSCRIPTION

The Subscriber understands that the Agents have agreed to arrange for the purchase of up to 14,706,000 Units from the Corporation for aggregate gross proceeds of up to \$12,500,100 (the “**Offering**”). In addition, the Corporation has granted to the Agents an option (the “**Agents’ Option**”), exercisable in whole or in part, up to the Closing Time (as defined herein), to arrange for the purchase of up to an additional 2,941,200 Units at the Subscription Price. Each Unit will consist of one Common Share (an “**Underlying Share**”) and one Common Share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder thereof to acquire one additional Common Share (a “**Warrant Share**”) at a price of \$1.15 at any time prior to 5:00 p.m. (Toronto time) on the date that is 24 months following the Closing Date (as defined herein) (the “**Expiry Date**”). Commencing on the date that is four months and a day after the Closing Date, in the event that the Common Shares trade on the TSX Venture Exchange (the “**TSXV**”) (or other principal exchange or market where the Common Shares are listed or quoted for trading) at a daily volume weighted average trading price of more than \$2.30 for a period of at least 10 consecutive trading days (an “**Acceleration Event**”), the Corporation may, at its option, accelerate the Expiry Date of the Warrants to a date that is not less than 30 days following written notice to the holders of the Warrants of such acceleration, in the form of a press release, provided that such notice is issued within 10 business days (as defined herein) of the Acceleration Event. The Corporation shall also give written notice to the holders of the Warrants not less than 15 days prior to the accelerated Expiry Date of the Warrants.

The Units, the Underlying Shares, the Warrants and the Warrant Shares are collectively referred to as the “**Securities**”.

The Subscriber acknowledges that the Units may be deposited electronically with CDS (as defined herein) through the book based system administered by CDS or be settled via physical certificates or other instruments on the Closing Date, as may be mutually agreed upon by the Corporation and Agents.

In the case of a CDS settlement, the Subscriber will not be entitled to receive physical certificates or other instruments from the Corporation (including the transfer agent and/or warrant agent, on behalf of the Corporation) or CDS representing the Subscriber’s interest in the Units purchased hereunder or the underlying Securities. The Subscriber will only receive a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Securities hereunder are purchased, against payment of the Aggregate Subscription Price.

1. **Definitions.** In this Subscription Agreement:

- (a) “\$” means Canadian dollars;
- (b) “**Acceleration Event**” has the meaning ascribed to it in the preamble to the “Terms and Conditions of Subscription”;
- (c) “**Agency Agreement**” means the agency agreement to be entered into between the Agents and the Corporation in respect of the Offering;
- (d) “**Agents**” has the meaning ascribed to such term on the face page of this Subscription Agreement;
- (e) “**Agents’ Option**” has the meaning ascribed to it in the preamble to the “Terms and Conditions of Subscription”;
- (f) “**Aggregate Subscription Price**” means the aggregate dollar amount of the subscription under this Subscription Agreement as set out on the face page of this Subscription Agreement;
- (g) “**Blue Sky Laws**” means the securities laws of any State or the District of Columbia;
- (h) “**business day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario are not open for business;
- (i) “**Canadian Offering Jurisdictions**” means each of the provinces of Canada;

- (j) “**Canadian Securities Laws**” means, as applicable, the securities laws and regulations in each of the Canadian Offering Jurisdictions, all written instruments, rules and orders having the force of law of the securities regulators or regulatory authorities in each of the Canadian Offering Jurisdictions and the rules of the TSXV;
- (k) “**CDS**” means CDS Clearing and Depository Services Inc.;
- (l) “**Closing**” has the meaning ascribed to such term in Section 4;
- (m) “**Closing Date**” means February 11, 2021 or such other date as the Corporation and the Lead Agent, on behalf of the Agents, may agree;
- (n) “**Closing Time**” means 8:30 a.m. (Toronto time) on the Closing Date or such other time as the Corporation and the Lead Agent, on behalf of the Agents, may agree;
- (o) “**Common Shares**” means the common shares in the capital of the Corporation;
- (p) “**control person**” means a person, company or combination of persons or companies described in the provisions of securities legislation listed in Appendix A to National Instrument 45-102 – *Resale of Securities*;
- (q) “**Corporation**” has the meaning ascribed to such term on the face page of this Subscription Agreement and includes any successor corporation;
- (r) “**Disclosed Principal**” has the meaning ascribed to such term on the face page of this Subscription Agreement;
- (s) “**Expiry Date**” has the meaning ascribed to it in the preamble to the “Terms and Conditions of Subscription”, which for greater certainty is subject to the acceleration at the Corporation’s option as described herein, upon the Acceleration Event;
- (t) “**International Jurisdiction**” has the meaning ascribed to such term in clause 8(p);
- (u) “**Lead Agent**” means Cormark Securities Inc.;
- (v) “**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators;
- (w) “**Offering**” has the meaning ascribed to it in the preamble to the “Terms and Conditions of Subscription”;
- (x) “**PCMLTFA**” has the meaning ascribed to such term in clause 8(bb);
- (y) “**person**” means any individual (whether acting as an executor, trustee, administrator, legal representative or otherwise), corporation, firm, limited liability company, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, fund, unincorporated organization or association, a government or an agency or political subdivision thereof and every other form of legal or business entity of whatsoever nature or kind, and pronouns have a similar extended meaning;
- (z) “**Qualified Institutional Buyer**” means a “qualified institutional buyer” as defined in Rule 144A;
- (aa) “**Regulation D**” means Regulation D under the U.S. Securities Act;
- (bb) “**Regulation S**” means Regulation S under the U.S. Securities Act;

- (cc) “**Rule 144A**” means Rule 144A under the U.S. Securities Act;
- (dd) “**SEC**” means the United States Securities and Exchange Commission;
- (ee) “**Securities**” has the meaning ascribed to such term in the preamble to the “Terms and Conditions of Subscription”;
- (ff) “**Securities Laws**” means, collectively, the Canadian Securities Laws and the U.S. Securities Laws;
- (gg) “**State**” means any state of the United States;
- (hh) “**Subscriber**” has the meaning ascribed to such term on the face page of this Subscription Agreement and includes, as applicable, the Disclosed Principal unless the context otherwise requires;
- (ii) “**Subscription Agreement**” means this subscription agreement (including any schedules hereto) and any instrument amending this Subscription Agreement; “**hereof**”, “**hereto**”, “**hereunder**”, “**herein**” and similar expressions mean and refer to this Subscription Agreement and not to a particular Section or clause; and the expression “**Section**” or “**clause**” followed by a number or letter means and refers to the specified Section or clause of this Subscription Agreement;
- (jj) “**Subscription Price**” has the meaning ascribed to such term on the face page of this Subscription Agreement;
- (kk) “**Term Sheet**” has the meaning ascribed to such term on the face page of this Subscription Agreement;
- (ll) “**TSXV**” has the meaning ascribed to it in the preamble to the “Terms and Conditions of Subscription”;
- (mm) “**TSXV Approval**” means the conditional acceptance of the Offering by the TSXV;
- (nn) “**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
- (oo) “**Units**” has the meaning ascribed to such term on the face page of this Subscription Agreement;
- (pp) “**U.S. Accredited Investor**” means an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;
- (qq) “**U.S. Affiliates**” means the U.S. registered broker-dealer affiliates of the Agents;
- (rr) “**U.S. Person**” means a “U.S. person” as defined in Rule 902(k) of Regulation S;
- (ss) “**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended;
- (tt) “**U.S. Securities Laws**” means all applicable securities laws in the United States, including the U.S. Securities Act, the United States Securities Exchange Act of 1934, as amended, and all rules and regulations promulgated thereunder, including the rules and policies of the SEC, and the applicable securities (“blue sky”) laws of the states of the United States;
- (uu) “**Underlying Share**” has the meaning ascribed to it in the preamble to the “Terms and Conditions of Subscription”;



- (vv) “**Warrant Certificate**” means the form of Common Share purchase warrant certificate to be issued by the Corporation to evidence the Warrants;
- (ww) “**Warrant Share**” has the meaning ascribed to it in the preamble to the “Terms and Conditions of Subscription”; and
- (xx) “**Warrant**” has the meaning ascribed to it in the preamble to the “Terms and Conditions of Subscription”.

**For greater certainty, the parties hereby acknowledge and agree that, if the Subscriber is acting as agent or trustee on behalf of a Disclosed Principal, the words “Subscriber”, “it” and “its”, whenever used in relation to representations, warranties, acknowledgements, covenants or indemnities (including in Sections 8 to 11) mean the Subscriber and, unless the context otherwise requires, the Disclosed Principal.**

**2. Subscription.** The Subscriber hereby confirms its irrevocable subscription for the Units from the Corporation, on and subject to the terms and conditions set out in this Subscription Agreement and in the Agency Agreement, for the Aggregate Subscription Price which is payable as described herein. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each Disclosed Principal) that upon acceptance by the Corporation of this Subscription Agreement, this Subscription Agreement will constitute a binding obligation of the Subscriber (including, if applicable, each Disclosed Principal) subject to the terms and conditions contained herein.

**3. Acceptance or Rejection of Subscription.** The Corporation may, in its absolute discretion, accept or reject the Subscriber’s subscription for Units as set forth in this Subscription Agreement, in whole or in part, and the Corporation reserves the right to allot to the Subscriber less than the amount of Units subscribed for under this Subscription Agreement. The Subscriber acknowledges and agrees that the acceptance of this Subscription Agreement will be conditional upon, among other things, the sale of the Units to the Subscriber being exempt from any prospectus and registration requirements of applicable Securities Laws and the equivalent provisions of securities laws of any other applicable jurisdiction and, to the extent possible, the Subscriber agrees to furnish the Corporation with all information that is reasonably necessary to confirm same.

If this Subscription Agreement is rejected in whole, any certified cheque, money order, bank draft, wire transfer or other form of payment delivered by the Subscriber to the Agents on account of the Aggregate Subscription Price for the Units subscribed for will be promptly returned to the Subscriber without any interest paid on such amount. If this Subscription Agreement is accepted only in part, payment representing the amount by which the payment delivered by the Subscriber exceeds the Subscription Price of the number of Units sold to the Subscriber pursuant to a partial acceptance of this Subscription Agreement will be promptly delivered to the Subscriber without any interest paid on such amount.

**4. Closing.** Delivery and sale of the Units and payment of the Aggregate Subscription Price will be completed (the “**Closing**”) at the Toronto offices of Bennett Jones LLP, counsel to the Corporation at the Closing Time or at such other time and place as the Corporation and the Agents may agree. If, prior to the Closing Time, the terms and conditions contained in this Subscription Agreement and the Agency Agreement have been complied with to the satisfaction of the Agents, or waived by the Agents, the Agents shall deliver to the Corporation all completed Subscription Agreements, including this Subscription Agreement, and payment of the Aggregate Subscription Price for all of the Units sold pursuant to the Agency Agreement against delivery by the Corporation of the Units (by way of electronic deposit with CDS or in physical form, as applicable) and such other documentation as may be required pursuant to this Subscription Agreement and the Agency Agreement.

**5. Conditions of Closing.** The obligations of the parties hereunder are subject to all required regulatory approvals being obtained. This Offering is conditional upon, among other things, the Corporation obtaining TSXV Approval.

The Subscriber acknowledges and agrees that the obligations of the Corporation hereunder are conditional on the accuracy of the representations and warranties of the Subscriber contained in this Subscription Agreement as of the date of this Subscription Agreement, and as of the Closing Time as if made at and as of the Closing Time, and the

fulfillment of the following additional conditions as soon as possible and in any event not later than the Closing Time:

- (a) the Corporation having accepted this Subscription Agreement;
- (b) payment by the Subscriber of the Aggregate Subscription Price by certified cheque, money order, bank draft or other acceptable means in Canadian dollars payable to one of the Agents;
- (c) the Subscriber having properly completed, signed and delivered this Subscription Agreement and all applicable schedules by no later than 4:00 p.m. (Toronto time) on Friday, February 5, 2021 (or such other time, date or place as the Subscriber may be advised), with payment, to:

Cormark Securities Inc.  
Royal Bank Plaza, South Tower  
200 Bay Street, Suite 1800  
Toronto, Ontario M5J 2J2

Attention: Equity Capital Markets  
Fax: 416.943.6496  
Email: ecm@cormark.com

- (d) if the Subscriber is resident in Canada, the Subscriber having properly completed, signed and delivered Schedule B, including, if applicable, a completed and signed original Form 45-106F9 - *Form for Individual Accredited Investors* appended as Appendix A to Schedule B;
- (e) if the Subscriber is, or is subscribing for the account or benefit of, a person in the United States or a U.S. Person, the Subscriber having properly completed, signed and delivered Schedule C;
- (f) if the Subscriber is, or is subscribing for the account or benefit of, a person resident of jurisdictions other than Canada and the United States, the Subscriber having properly completed, signed and delivered Schedule D;
- (g) the Subscriber having properly completed, signed and delivered Schedule E, including a completed and signed copy of Appendix A thereto, if applicable; and
- (h) the conditions of Closing contained in the Agency Agreement having been satisfied or waived by the relevant party.

**6. Authorization of the Agents.** The Subscriber irrevocably authorizes the Agents (or any one of them), in their discretion, to act as the Subscriber's representatives at the Closing, and hereby appoints the Agents, with full power of substitution, as its true and lawful attorney with full power and authority in the Subscriber's place and stead:

- (a) to receive the Units (by way of electronic deposit with CDS or in physical certificate form, as applicable), to execute on behalf of the Subscriber all closing receipts and required documents, to complete and correct any errors or omissions in any form or document provided by the Subscriber in connection with the subscription for the Units hereunder, to approve any opinion, certificate or other document addressed to the Subscriber and to exercise any rights of termination contained in the Agency Agreement;
- (b) to extend such time periods and to waive, in whole or in part, any representations, warranties, covenants or conditions for the benefit of the Subscriber contained in this Subscription Agreement and in the Agency Agreement (or any ancillary or related document);

- (c) to terminate or not deliver this Subscription Agreement if any condition precedent is not satisfied, in such manner and on such terms and conditions as the Agents in their sole discretion may determine; and
- (d) without limiting the generality of the foregoing, to negotiate, settle, execute, deliver and amend, as the case may be, the Agency Agreement and any ancillary documents in connection with the Offering.

The Subscriber agrees that this power of attorney is irrevocable, is coupled with an interest and has been given for valuable consideration, the receipt and adequacy of which are acknowledged. This power of attorney and other rights and privileges granted under this section will survive any legal or mental incapacity, dissolution, bankruptcy or death of the Subscriber (including any Disclosed Principal). This power of attorney extends to the heirs, executors, administrators, other legal representatives and successors, transferees and assigns of the Subscriber (including any Disclosed Principal). Any person dealing with the Agents (or any one of them) may conclusively presume and rely upon the fact that any document, instrument or agreement executed by the Agents (or any one of them) pursuant to this power of attorney is authorized and binding on the Subscriber (including any Disclosed Principal), without further inquiry. The Subscriber (including any Disclosed Principal) agrees to be bound by any representations or actions made or taken by the Agents (or any one of them) pursuant to this power of attorney, and waives any and all defences that may be available to contest, negate or disaffirm any action of the Agents (or any one of them) taken in good faith under this power of attorney.

**7. Representations, Warranties and Covenants of the Corporation.** By execution of this Subscription Agreement, the Corporation hereby agrees with the Subscriber that the Subscriber shall have the benefit of the representations, warranties and covenants made by the Corporation to the Agents as set forth in the Agency Agreement which shall be true and correct in all material respects (or, if qualified by materiality, in all respects) as of the Closing Date, except as amended or waived by the Agents, as though the Subscriber were a party thereto. Such representations, warranties and covenants shall form an integral part of this Subscription Agreement and shall survive the Closing and shall continue in full force and effect for the benefit of the Subscriber in accordance with the Agency Agreement.

**8. Representations, Warranties, Covenants and Acknowledgements of the Subscriber.** By executing this Subscription Agreement, the Subscriber (on its own behalf and, including if applicable, on behalf of each Disclosed Principal) represents, warrants, covenants and acknowledges to and with the Corporation, the Agents and the U.S. Affiliates (and acknowledges and agrees that the Corporation, the Agents, the U.S. Affiliates and their respective legal counsel are relying thereon) that:

**Authorization and Effectiveness**

- (a) if the Subscriber is an individual, the Subscriber is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute, deliver and be bound by this Subscription Agreement, to perform all of its obligations hereunder and to undertake all actions required of the Subscriber hereunder;
- (b) if the Subscriber is not an individual, the Subscriber has the requisite power, authority, legal capacity and competence to execute, deliver and be bound by this Subscription Agreement, to perform all of its obligations hereunder and to undertake all actions required of the Subscriber hereunder, all necessary approvals of its directors, partners, shareholders, trustees or otherwise with respect to such matters have been given or obtained and the individual signing this Subscription Agreement has been duly authorized;
- (c) if the Subscriber is a corporation, limited partnership, limited liability company or other corporate entity or unincorporated organization, the Subscriber has been duly organized and is validly subsisting under the laws of its jurisdiction of incorporation or formation and the laws of any other jurisdiction in which its properties or operations require qualification;

- (d) if the Subscriber is acting as principal, this Subscription Agreement has been duly and validly authorized, executed and delivered by the Subscriber and, when accepted by the Corporation, will constitute a legal, valid and binding obligation enforceable against the Subscriber in accordance with the terms hereof (subject to bankruptcy, insolvency and other laws limiting the enforceability of creditors' rights and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction);
- (e) if the Subscriber is acting as agent or trustee (including, for greater certainty, a portfolio manager or comparable adviser) for a principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documents in connection with such subscription on behalf of such principal, each of whom is subscribing as principal for its own account and not for the benefit of any other person, and this Subscription Agreement has been duly and validly authorized, executed and delivered by or on behalf of, and, when accepted by the Corporation, will constitute a legal, valid and binding obligation enforceable in accordance with the terms hereof (subject to bankruptcy, insolvency and other laws limiting the enforceability of creditors' rights and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction) against, such principal;
- (f) the execution and delivery of this Subscription Agreement, the performance and compliance with the terms hereof, the subscription for the Units and the completion of the transactions contemplated hereby will not result in any material breach of, or be in conflict with or constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a material default under any term or provision of the constating documents, by-laws or resolutions of the Subscriber or a Disclosed Principal (if not an individual), the Securities Laws or any other applicable law, any agreement to which the Subscriber or a Disclosed Principal is a party or any applicable regulation, judgment, decree, order or ruling;
- (g) the Subscriber is not a person created or used solely to purchase or hold securities in order to comply with or rely upon an exemption from the prospectus and registration requirements of applicable Securities Laws and except as disclosed in writing to the Corporation, the Subscriber does not act jointly or in concert with any other person or company for the purposes of acquiring securities of the Corporation;

#### Disclosure if Purchasing as Agent or Trustee

- (h) if the Subscriber is not subscribing as principal, the Subscriber acknowledges that the Corporation and/or the Agents may be required by law to disclose to applicable securities regulatory authorities or stock exchanges information concerning the identities of each beneficial purchaser for whom the Subscriber is acting hereunder;

#### Residence

- (i) the Subscriber and, if applicable, each Disclosed Principal are resident, or if not an individual, has a head office, in the jurisdiction indicated on the face page of this Subscription Agreement as the "Subscriber's Residential Address" and the "Disclosed Principal's Residential Address", respectively, such address was not created and is not used solely for the purpose of acquiring Units. The purchase by and sale to the Subscriber of the Units, and any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such purchase or sale (whether with or with respect to the Subscriber or any Disclosed Principal) has occurred only in such jurisdiction;

#### Canadian Subscribers

- (j) if the Subscriber is resident in Canada, the Subscriber (or if applicable, the Disclosed Principal) is eligible to purchase the Units pursuant to an exemption from the prospectus requirements of the Canadian Securities Laws, and the Subscriber has completed, executed and delivered to the Corporation a Subscriber Certificate in the form attached hereto as Schedule B (and, if required,

Appendix A to Schedule B) indicating that the Subscriber (or if applicable, the Disclosed Principal) fits within one of the prospectus exemption categories under Canadian Securities Laws as set forth therein, and confirms the truth and accuracy of all representations, warranties and covenants made in such certificate as of the date of this Subscription Agreement and as of the Closing Time;

- (k) the Subscriber (or if applicable, the Disclosed Principal) acknowledges that:
- (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Securities;
  - (ii) there is no government or other insurance covering the Securities;
  - (iii) there are risks associated with the purchase of the Securities; and
  - (iv) there are restrictions on the Subscriber's ability to resell the Securities and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Securities;

U.S. Subscribers

- (l) if the Subscriber is, or is subscribing for the account or benefit of, a person in the United States or a U.S. Person, the Subscriber (or any beneficial purchaser) is aware that the Securities have not been and will not be registered under the U.S. Securities Act or any Blue Sky Laws and the Units may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act or applicable Blue Sky Laws, or compliance with requirements of exemptions from such registration requirements, and it acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Securities or registering or qualifying the Securities under any Blue Sky Laws;
- (m) if the Subscriber is, or is subscribing for the account or benefit of, a person in the United States or a U.S. Person, the Subscriber agrees to the additional terms included in Schedule C hereto;
- (n) if the Subscriber is, or is subscribing for the account or benefit of, a person in the United States or a U.S. Person, the Subscriber (and, if applicable, such beneficial purchaser) is either a: (i) U.S. Accredited Investor; or (ii) Qualified Institutional Buyer, purchasing the Units directly from the Corporation and the Subscriber has completed Schedule C hereto and if a U.S. Accredited Investor, identified in Schedule C the appropriate category of U.S. Accredited Investor that correctly and in all respects describes the Subscriber (and, if applicable, such beneficial purchaser);

Non-U.S. Subscribers

- (o) unless the Subscriber is, or is subscribing for the account or benefit of, a person in the United States or a U.S. Person and the Subscriber has completed and delivered Schedule C hereto (in which case the Subscriber makes the representations, warranties and covenants therein), the Subscriber acknowledges and agrees that:
  - (i) the Units have not been offered to the Subscriber or any beneficial purchaser for whom it is acting while the Subscriber or such beneficial person, if applicable, was in the United States, and the individuals making the order to purchase the Units and executing and delivering this Subscription Agreement for the account or benefit of the Subscriber or such beneficial purchaser were not in the United States when the order was placed or when this Subscription Agreement was executed and delivered;

- (ii) the Subscriber is not in the United States or a U.S. Person and is not purchasing the Units for the account or benefit of a person in the United States or a U.S. Person;
- (iii) the Subscriber is not purchasing the Units as the result of any directed selling efforts (as defined in Rule 902(c) of Regulation S under the U.S. Securities Act and, including, but not limited to, any press releases made by the Corporation relating to the proposed Offering of the Units or any report, notification or summary of the same) made in the United States by the Corporation, a distributor, any of their respective affiliates, or any person acting on behalf of any of the foregoing;
- (iv) the current structure of this transaction and all transactions and activities contemplated hereunder is not a scheme to avoid the registration requirements of the U.S. Securities Act; and
- (v) the Subscriber or any beneficial purchaser for whom it is acting, if applicable, has no intention to distribute either directly or indirectly any of the Units in the United States, except in compliance with the U.S. Securities Act and any applicable Blue Sky Laws;

International Subscribers

- (p) if the Subscriber (or any Disclosed Principal) is resident in or otherwise subject to the securities laws of any jurisdiction outside of Canada and the United States (the “**International Jurisdiction**”), then:
  - (i) the Subscriber is not subject to Canadian Securities Laws;
  - (ii) the Subscriber agrees to the additional terms included in Schedule D hereto;
  - (iii) the Subscriber is knowledgeable of, or has been independently advised as to, the applicable securities laws of the International Jurisdiction which would apply to this subscription, if there are any;
  - (iv) the Corporation is offering and selling the Units and the Subscriber is purchasing the Units pursuant to exemptions from the prospectus and registration requirements under the applicable securities laws of the International Jurisdiction or, if such is not applicable, the Corporation is permitted to offer and sell the Units and the Subscriber is permitted to purchase the Units under the applicable securities laws of such International Jurisdiction without the need to rely on exemptions; and
  - (v) the applicable securities laws of the International Jurisdiction do not require the Corporation to prepare and/or file any documents or be subject to ongoing reporting requirements or seek any approvals of any kind whatsoever in respect of the offer and sale of the Units to the Subscriber from any regulatory authority of any kind whatsoever in the International Jurisdiction;

No Prospectus or Undisclosed Information

- (q) the Subscriber understands that the sale of the Units is conditional upon such sale being exempt from the requirements to file and obtain a receipt for a prospectus or registration statement or to deliver an offering memorandum, and no prospectus or registration statement has been filed by the Corporation with any securities commission or similar regulatory authority in any jurisdiction in connection with the issuance of the Units. As a result of acquiring the Units pursuant to such exemptions:

- (i) the Subscriber may be restricted from using some of the protections, rights and remedies otherwise available under Canadian Securities Laws, including statutory rights of rescission or damages in the event of a misrepresentation;
  - (ii) the Subscriber may not receive information that would otherwise be required to be provided to it under Canadian Securities Laws; and
  - (iii) the Corporation is relieved from certain obligations that would otherwise apply under Canadian Securities Laws;
- (r) the Subscriber has not received or been provided with a prospectus, registration statement or offering memorandum, within the meaning of Securities Laws, or any sales or advertising literature in connection with the Offering. The Subscriber's decision to subscribe for the Units was not based upon, and the Subscriber has not relied upon, any verbal or written representations as to fact made by or on behalf of the Corporation or the Agents and their respective directors, officers, employees, agents and representatives. The Subscriber's decision to subscribe for the Units was based solely upon this Subscription Agreement, including the Term Sheet, and information about the Corporation which is publicly available (any such information having been obtained by the Subscriber without independent investigation or verification by the Agents);
- (s) the Agents, their counsel, Dentons Canada LLP, counsel to the Corporation, Bennett Jones LLP, and United States securities counsel to the Corporation, Katten Muchin Rosenman LLP, and their respective directors, officers, employees, agents and representatives assume no responsibility or liability of any nature whatsoever for the accuracy or adequacy of any such publicly available information concerning the Corporation or as to whether all information concerning the Corporation that is required to be disclosed or filed by the Corporation under the Securities Laws has been so disclosed or filed;
- (t) except for the Subscriber's knowledge regarding its subscription for Units hereunder, the Subscriber has no knowledge of a "material fact" or a "material change" (as those terms are defined in Canadian Securities Laws) in the affairs of the Corporation that has not been generally disclosed;

Investment Suitability

- (u) the Subscriber confirms that the Subscriber and, if applicable, each Disclosed Principal:
- (i) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Securities;
  - (ii) is capable of assessing the proposed investment in the Securities as a result of the Subscriber's own experience or as a result of advice received from a person registered under Canadian Securities Laws;
  - (iii) is aware of the characteristics of the Securities and the risks relating to an investment therein; and
  - (iv) is able to bear the economic risk of loss of its investment in the Securities;
- (v) the Subscriber understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Units nor is there any government or other insurance covering the Units;

No Representations

- (w) the Subscriber confirms that neither the Corporation nor the Agents nor any of their respective directors, employees, officers, representatives, agents or affiliates have made any representations (written or oral) to the Subscriber:
  - (i) regarding the future price or value of the Securities;
  - (ii) that any person will resell or repurchase the Securities;
  - (iii) that any person will refund the purchase price of the Securities other than as provided in this Subscription Agreement; or
  - (iv) that Securities will be listed and posted for trading on a stock exchange other than as set out in the Term Sheet attached hereto as Schedule A;

Limitations on Resale

- (x) the Subscriber and, if applicable, each Disclosed Principal, understands that it may not be able to resell the Securities except in accordance with limited exemptions available under applicable Securities Laws, and that the Subscriber is solely responsible for (and neither the Corporation nor the Agents are in any way responsible for) the Subscriber's and, if applicable, each Disclosed Principal's compliance with applicable resale restrictions. The Subscriber will comply with all applicable Securities Laws concerning the subscription, purchase, holding and resale of the Securities and will not resell any of the Securities except in accordance with the provisions of applicable Securities Laws;

Legends

- (y) the Underlying Shares and the Warrants (and the Warrant Shares, if issued prior to the expiry of the applicable hold periods) shall have attached to them, whether through the electronic deposit system of CDS, an ownership statement issued under a direct registration system or other electronic book based system, or on certificates that may be issued, as applicable, any legends as may be prescribed by CDS in addition to the legend substantially in the following form and with the necessary information inserted:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE <insert date that is four (4) months and one (1) day after Closing Date>.”

and may also bear a legend substantially in the following form:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY OR UNDERLYING THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL <insert date that is four (4) months and one (1) day after Closing Date>.”

In addition to the foregoing legends, the Securities that may be issued to Subscribers who are, or are subscribing for the account or benefit of, persons in the United States or U.S. Persons under Regulation D, shall have attached to them, whether through electronic deposit system of CDS, an



ownership statement issued under a direct registration system or other electronic book based system, or on certificates, the legends described in Schedule C of this Subscription Agreement;

Restrictions on Warrant Exercise in the United States

- (z) the Subscriber understands that the Warrants may not be exercised in the United States or by or on behalf of a U.S. Person unless an exemption is available from the registration requirements of the U.S. Securities Act and all applicable Blue Sky Laws and, if requested by the Corporation, the holder has delivered to the Corporation a written opinion of counsel reasonably satisfactory to the Corporation to such effect; provided, however, that an original Subscriber in the Offering that is in the United States or a U.S. Person will not be required to deliver an opinion of counsel in connection with the exercise of Warrants purchased in the Offering by such original Subscriber that is in the United States or a U.S. Person, on its own behalf or on behalf of the original beneficial purchaser (if any), at a time when it and such beneficial purchaser (if any) are U.S. Accredited Investors or Qualified Institutional Buyers;

No Purchase or Offer in the United States

- (aa) unless the Subscriber is, or is subscribing for the account or benefit of, a person in the United States or a U.S. Person and has duly completed and executed Schedule C hereto, neither the Subscriber nor any person for whom it is acting will offer, sell or otherwise dispose of the Securities in the United States or to, or for the benefit or account of, a person in the United States or a U.S. Person, or exercise the Warrants in the United States, unless the Corporation has consented to such offer, sale, disposition or exercise and such offer, sale, disposition or exercise is made in accordance with an exemption from the registration requirements under the U.S. Securities Act and applicable Blue Sky Laws or the Corporation has filed, and the SEC has declared effective, a registration statement in respect of the resale of such Securities;

Not Proceeds of Crime

- (bb) the funds representing the Aggregate Subscription Price which will be advanced by the Subscriber hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as may be amended from time to time (the "PCMLTFA") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge: (i) none of the subscription funds to be provided by the Subscriber: (A) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States, or any other jurisdiction; or (B) are being tendered on behalf of a person or entity who has not been identified to the Subscriber; and (ii) it shall promptly notify the Corporation if the Subscriber (including any Disclosed Principal) discovers that any of such representations cease to be true, and to provide the Corporation with appropriate information in connection therewith;

Personal Information

- (cc) the Subscriber, on its own behalf and, if applicable, on behalf of each beneficial purchaser for whom the Subscriber is contracting hereunder, acknowledges and consents to the fact that the TSXV, its affiliates, authorized agents, subsidiaries and divisions collect personal information in certain information forms which are submitted to the TSXV, including the forms attached hereto as Schedule B and Schedule E, and use such information for the following purposes:
- (i) (A) to conduct background checks, (B) to verify the personal information that has been provided about each individual, (C) to consider the suitability of the individual to act as an insider of an issuer, (D) to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the issuer, or its associates

or affiliates, (E) to conduct enforcement proceedings, and (F) to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the TSXV, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada;

- (ii) as part of the above-mentioned process, the TSXV also collects additional personal information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished; and
- (iii) the personal information the TSXV collects may also be disclosed:
  - (A) to the agencies and organizations in the preceding paragraph, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; and
  - (B) on the website of the TSXV or through printed materials published by or pursuant to the directions of the TSXV;

#### No Financial Assistance

- (dd) the Subscriber has not received and does not expect to receive any financial assistance from the Corporation directly or indirectly, in respect of the Subscriber's purchase of the Units;

#### Future Financings

- (ee) the Subscriber acknowledges that the Corporation may complete additional financings in the future to develop the proposed business of the Corporation and to fund its ongoing development. There is no assurance that such financings will be available and if available, will be on reasonable terms. Any such future financings may have a dilutive effect on current shareholders, including the Subscriber;

#### No Advertising

- (ff) the Subscriber has not purchased the Units as a result of any form of "general solicitation" or "general advertising" (as those terms are used in Rule 502(c) of Regulation D), including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or the Internet or broadcast over radio, television, or the Internet or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;

#### No Other Fees

- (gg) other than the Agents (and any group of investment dealers appointed by the Agents for the purpose of offering the Units for sale), the Subscriber confirms that there is no person acting or purporting to act on behalf of the Subscriber (including any Disclosed Principal), if applicable, in connection with the transactions contemplated herein who is entitled to any brokerage or finder's fee. If any other person establishes a claim that any fee or other compensation is payable in connection with this subscription for the Units on account of the Subscriber's subscription, the Subscriber covenants to indemnify and hold harmless the Corporation and the Agents with respect thereto and with respect to all costs reasonably incurred in the defence thereof;

Other Documents

- (hh) if required by Securities Laws or by any securities commission, stock exchange or other regulatory authority, the Subscriber and, if applicable, each Disclosed Principal will execute, deliver, file and otherwise assist the Corporation and/or the Agents in filing, such reports, undertakings and other documents with respect to the subscription for and issuance of the Securities;

Subscriber's Responsibility for Legal and Financial Advice

- (ii) the Subscriber confirms that it and, if applicable, each Disclosed Principal is responsible for obtaining its own legal, tax, investment and other professional advice with respect to the execution, delivery and performance by it of this Subscription Agreement and the transactions contemplated hereunder including the suitability of the Securities as an investment for the Subscriber and, if applicable, each Disclosed Principal, the tax consequences of purchasing and dealing with the Securities, and the resale restrictions and "hold periods" to which the Securities are or may be subject under Securities Laws. The Subscriber has not relied upon any statements made by or purporting to have been made on behalf of the Corporation, the Agents or their respective counsel with respect to such matters;
- (jj) the Subscriber acknowledges that the Corporation's counsel is acting solely as counsel to the Corporation and the Agents' counsel is acting solely as counsel to the Agents and, in each case, not as counsel to the Subscriber or, if applicable, to any Disclosed Principal;

Registration

- (kk) neither the Subscriber nor any Disclosed Purchaser is engaged in the business of trading in securities or exchange contracts as a principal or agent and does not hold himself, herself or itself out as engaging in the business of trading in securities or exchange contracts as a principal or agent, or is otherwise exempt from any requirements to be registered as a dealer under National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*; and

Not a Control Person

- (ll) neither the Subscriber nor, if applicable, any Disclosed Principal will become a control person of the Corporation by virtue of its subscription for Units hereunder and neither the Subscriber nor, if applicable, any Disclosed Principal intends to act in concert with any other person or persons to form a control group of the Corporation.

**9. Reliance on Representations, Warranties, Covenants and Acknowledgements.** The Subscriber acknowledges and agrees that the representations, warranties, covenants and acknowledgements made by the Subscriber in this Subscription Agreement, including the schedules hereto, are made with the intention that they may be relied upon by the Corporation, the Agents, the U.S. Affiliates and their respective counsel in determining the Subscriber's eligibility (and, if applicable, the eligibility of others for whom the Subscriber is contracting hereunder) to purchase the Units under the Securities Laws. The Subscriber further agrees that by accepting the Units, the Subscriber shall be representing and warranting that such representations, warranties, acknowledgements and covenants are true as at the Closing Time with the same force and effect for the benefit of the Corporation, the Agents and the U.S. Affiliates as if they had been made by the Subscriber at the Closing Time and that they shall survive the purchase by the Subscriber of the Units and shall continue in full force and effect for the benefit of the Corporation, the Agents and the U.S. Affiliates notwithstanding any subsequent disposition by the Subscriber of any of the Securities.

**10. No Investigation by Agents.** The Subscriber acknowledges and agrees that the Agents assume no responsibility or liability of any nature whatsoever for the accuracy or adequacy of any information regarding the Corporation received, obtained or learned by the Subscriber, whether or not such information was obtained from or

through the Agents or any of their affiliates. The Subscriber further acknowledges and agrees that the Agents have not engaged in or conducted any independent investigation with respect to the Corporation or any such information.

**11. Indemnity.** The Subscriber acknowledges that the Corporation, the Agents, the U.S. Affiliates and their respective counsel are relying upon the representations, warranties, acknowledgements and covenants of the Subscriber set forth herein (including the schedules attached hereto) in determining the eligibility (from a securities law perspective) of the Subscriber (or, if applicable, the eligibility of another on whose behalf the Subscriber is contracting hereunder to subscribe for Units) to purchase Units under the Offering, and hereby agrees to indemnify the Corporation, the Agents, the U.S. Affiliates and their respective directors, officers, employees, advisers, affiliates, shareholders, representatives and agents (including their respective legal counsel) against all losses, claims, costs, expenses, damages or liabilities that they may suffer or incur as a result of or in connection with their reliance on such representations, warranties, acknowledgements and covenants. The Subscriber undertakes to immediately notify the Corporation, the Agents and the U.S. Affiliates of any change in any statement or other information relating to the Subscriber set forth herein that occurs prior to the Closing Time. To the extent that any person entitled to be indemnified hereunder is not a party to this Subscription Agreement, the Corporation, the Agents and the U.S. Affiliates, as the case may be, shall obtain and hold the rights and benefits of this Subscription Agreement in trust for, and on behalf of, such person, and such person shall be entitled to enforce the provisions of this section notwithstanding that such person is not a party to this Subscription Agreement.

**12. Agents' Commissions.** The Subscriber understands that in connection with the issue and sale of the Units pursuant to the Offering, the Agents will receive from the Corporation on Closing a cash commission equal to 6.0% of the gross proceeds received by the Corporation from the Offering. As additional compensation, the Corporation will issue to the Agents broker warrants to purchase that number of Common Shares equal to 6.0% of the total number of Units sold under the Offering at an exercise price equal to the Subscription Price exercisable for a period of 24 months from the Closing Date.

No other fee or commission is payable by the Corporation in connection with the completion of the Offering, other than legal fees. However, the Corporation will pay certain fees and expenses of the Agents in connection with the Offering as set out in the Agency Agreement.

**13. Subscriber's Costs.** The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any counsel retained by the Subscriber) relating to the sale of the Units to the Subscriber shall be borne by the Subscriber.

**14. Notices.** Any notice, direction or other instrument required or permitted to be given to any party hereto shall be in writing and shall be sufficiently given if delivered personally or by courier or transmitted by facsimile or other form of electronic communication during the transmission of which no indication of failure of receipt is communicated to the sender and for which evidence of delivery is obtained, as follows:

(a) in the case of the Corporation, to:

POET Technologies Inc.  
120 Eglinton Avenue East, Suite 1107  
Toronto, Ontario M4P 1E2

Attention: Thomas Mika, EVP & CFO  
Email: [tm@poet-technologies.com](mailto:tm@poet-technologies.com)

With a copy (which shall not constitute notice) to:

Bennett Jones LLP  
One First Canadian Place, Suite 3400  
Toronto, Ontario M5X 1A4

Attention: James Clare / Christopher Doucet  
Email: [clarej@bennettjones.com](mailto:clarej@bennettjones.com) / [doucetc@bennettjones.com](mailto:doucetc@bennettjones.com)

- (b) in the case of the Subscriber, at the address and facsimile number specified on the face page hereof:

or to such other address, email address or person that the party designates by notice given in accordance with the foregoing provisions. Any such notice: (i) if delivered personally or by courier, shall be deemed to have been given and received on the date of such delivery provided that if such day is not a business day then it shall be deemed to have been given and received on the first business day following such day; and (ii) if transmitted by electronic communication, shall be deemed to have been given on the date of transmission if sent before 5:00 p.m. on a business day or, if not before 5:00 p.m., on the first business day following the date of transmission provided that the sender has evidence of a successful transmission such as a fax confirmation or electronic delivery receipt.

**15. Interpretation.** The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof. Words importing the singular number only shall include the plural and vice versa. In this Subscription Agreement, unless otherwise indicated, all references to money amounts are to Canadian dollars.

**16. No Partnership.** Nothing herein shall constitute or be construed to constitute a partnership of any kind whatsoever between the Subscriber and the Corporation.

**17. Governing Law.** The contract arising out of acceptance of this Subscription Agreement by the Corporation shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of the Province of Ontario.

**18. Time of Essence.** Time shall be of the essence of this Subscription Agreement.

**19. Entire Agreement.** This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.

**20. Electronic Copies.** The Corporation shall be entitled to rely on delivery of a facsimile or portable document format (“pdf”) copy of executed subscriptions, and acceptance by the Corporation of such facsimile or pdf subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Corporation in accordance with the terms hereof. The Subscriber acknowledges and agrees that if less than a complete copy of this Subscription Agreement is delivered to the Corporation at Closing, the Subscriber will be deemed to have agreed to all of the terms and conditions of the pages not delivered at Closing unaltered.

**21. Counterpart.** This Subscription Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or pdf transmission thereof.

**22. Severability.** The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.

**23. Enurement.** This Subscription Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors (including any successor by reason of the amalgamation or merger of any party) and permitted assigns.

**24. Assignment.** Neither party may assign all or part of its interest in or to this Subscription Agreement without the consent of the other party in writing.

**25. Amendment.** Except as otherwise provided herein, this Subscription Agreement may only be amended by the parties hereto in writing.

**26. Further Assurances.** Each party hereto from time to time at the request of the other party hereto, whether before or after Closing Time, shall do such further acts and execute and deliver such further instruments, deeds and documents as shall be reasonably required in order to fully perform and carry out the provisions of this Subscription Agreement. The parties hereto agree to act honestly and in good faith in the performance of their respective obligations hereunder.

**27. Language.** The Subscriber acknowledges that it has consented to and requested that all documents evidencing or relating in any way to the sale of the Units be drawn up in the English language only. *Le souscripteur reconnaît par les présentes avoir consenti et exigé que tous les documents faisant foi ou se rapportant de quelque manière à la vente des bons de unités soient rédigés en anglais seulement.*

### COLLECTION OF PERSONAL INFORMATION

This Subscription Agreement and the schedules hereto require the Subscriber to provide certain personal information (respecting the Subscriber and, if applicable, the beneficial purchaser for whom the Subscriber is contracting) to the Corporation and the Agents. (Personal information includes “personal information” as that term is defined under applicable privacy legislation, including without limitation, the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar replacement or supplemental provincial or federal legislation or laws and the policies of the TSXV in effect from time to time). Such information is being collected for the purposes of completing the Offering, which includes, without limitation, determining the eligibility of the Subscriber or, if applicable, the beneficial purchaser for whom the Subscriber is contracting, to purchase the Securities under applicable Securities Laws, preparing and registering certificates representing the Securities to be issued hereunder and completing filings required under applicable Securities Laws or by any stock exchange, the Investment Industry Regulatory Organization of Canada and/or securities regulatory authorities.

In addition, such personal information may be used or disclosed by the Corporation for the purpose of administering the Corporation’s relationship with the Subscriber or, if applicable, the beneficial purchaser for whom the Subscriber is contracting. For example, such personal information may be used by the Corporation to communicate with the Subscriber or, if applicable, the beneficial purchaser for whom the Subscriber is contracting (such as by providing annual or quarterly reports), to prepare tax filings and forms or to comply with its obligations under taxation, securities and other laws (such as maintaining a list of holders of shares).

In connection with the foregoing, the personal information of the Subscriber or, if applicable, the beneficial purchaser for whom the Subscriber is contracting, may be disclosed by the Corporation or the Agents to: (i) any stock exchanges or securities regulatory or taxation authorities; (ii) the Corporation’s registrar and transfer agent (if applicable); and (iii) any of the other parties involved in the Offering, including legal counsel, and may be included in record books prepared in respect of the Offering.

By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of the beneficial purchaser for whom the Subscriber is contracting) hereby consents to the collection, use and disclosure of such personal information. The Subscriber (on its own behalf and, if applicable, on behalf of the beneficial purchaser for whom the Subscriber is contracting) also consents to the filing of copies or originals of any of the documents provided to the Corporation or the Agents by or on behalf of the Subscriber with any securities regulatory authority in relation to the transactions contemplated by this Subscription.

The Subscriber acknowledges that the Subscriber’s personal information and the personal information of any Disclosed Principal may be delivered to the Canadian securities commissions under the authority granted to them under securities legislation for the purposes of administration and enforcement of the securities legislation of the applicable Canadian province or territory. The public official of such Canadian province or territory who can answer questions about such indirect collection of personal information is set forth on Schedule F.

The Subscriber also acknowledges and consents to the collection, use and disclosure of the Subscriber’s personal information by the TSXV and its affiliates, authorized agents, subsidiaries and divisions, including the TSXV for the following purposes: (i) to conduct background checks, (ii) to verify personal information that has been provided about each individual, (iii) to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Corporation or its associates or affiliates, (iv) to conduct enforcement proceedings, and (v) to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the TSXV, Securities Laws and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada. As part of this process, the Subscriber further acknowledges that the TSXV also collects additional personal information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished. The personal information collected by the TSXV may also be disclosed: (i) to the aforementioned agencies and organizations or as otherwise permitted or

required by law and may be used for the purposes described above for their own investigations, and (ii) on the TSXV's website or through printed materials published by or pursuant to the directions of the TSXV. The TSXV may from time to time use third parties to process information and/or provide other administrative services and may share information with such third party services providers.



## SCHEDULE A

### TERM SHEET

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<b>Issuer:</b>	POET Technologies Inc. (the “ <b>Corporation</b> ”).
<b>Offering:</b>	Treasury offering of up to 14,706,000 units (the “ <b>Units</b> ”) before giving effect to the Agents’ Option. Each Unit shall consist of one common share of the Corporation (a “ <b>Common Share</b> ”) and one Common Share purchase warrant of the Corporation (a “ <b>Warrant</b> ”).
<b>Issue Price:</b>	\$0.85 per Unit (the “ <b>Issue Price</b> ”).
<b>Offering Proceeds:</b>	Up to \$12,500,100.
<b>Agents’ Option:</b>	The Corporation has granted the Agents an option (the “ <b>Agents’ Option</b> ”), exercisable in whole or in part, at any time until closing of the Offering, to purchase up to an additional 20% of the Offering (2,941,200 Units) at the Issue Price.
<b>Warrants:</b>	Each Warrant will entitle the holder thereof to purchase one Common Share at a price equal to \$1.15, for a period of 24 months following the Closing Date. If, following the date that is four months and one day after the Closing Date and prior to the expiry date of the Warrants, the daily volume-weighted average trading price of the Common Shares on the TSXV exceeds \$2.30 for a period of at least ten consecutive trading days, the Corporation may accelerate the warrant expiry date.
<b>Use of Proceeds:</b>	The net proceeds of the Offering will be used for general corporate purposes.
<b>Offering Jurisdictions:</b>	Offered on a best efforts agency private placement basis in: (i) each of the provinces of Canada; (ii) the United States on a private placement basis pursuant to an exemption from the registration requirements of the <i>United States Securities Act of 1933</i> , as amended; and (iii) jurisdictions outside of Canada and the United States, in each case in accordance with all applicable laws provided that no prospectus, registration statement or similar document is required to be filed in such jurisdiction.
<b>Eligibility:</b>	Eligible for RRSPs, RRIFs and TFSAs.
<b>Listing:</b>	Application will be made to list the Common Shares underlying the Units and Common Shares underlying the Warrants on the TSX Venture Exchange (the “ <b>TSXV</b> ”). The existing common shares of the Corporation are listed on the TSXV under the symbol “PTK”.
<b>Compensation:</b>	The Corporation shall pay to the Agents a cash commission equal to 6.0% of the gross proceeds from the sale of the Units (including any exercise of the Agents’ Option). In addition, the Corporation shall issue to the Agents that number of broker warrants, which will expire 24 months from the Closing Date, to purchase that number of additional Common Shares equal to 6.0% of the number of Units sold pursuant to the Offering at the Issue Price.

**Lock-Up Period:** The Corporation agrees not to issue any common shares or securities convertible into common shares for a period of 120 days from the Closing Date without the prior written consent of the Agents, in all cases such consent not to be unreasonably withheld or delayed.

**Lead Agent:** Cormark Securities Inc.

**Hold Period:** The securities issued pursuant to the Offering will be subject to a statutory four month hold period.

**Closing Date:** Subject to TSXV approval (including with respect to obtaining an exemption from the shareholder vote requirement), on or about February 11, 2021.

## SCHEDULE B

### SUBSCRIBER CERTIFICATE

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**TO:** POET TECHNOLOGIES INC. (the “Corporation”)  
**AND TO:** CORMARK SECURITIES INC., IBK CAPITAL CORP. AND PI FINANCIAL CORP. (collectively, the “Agents”)

Reference is made to the subscription agreement between the Corporation and the undersigned (referred to herein as the “Subscriber”) dated as of the date hereof (the “Subscription Agreement”). Upon execution of this Subscriber Certificate by the Subscriber, this Subscriber Certificate shall be incorporated into and form a part of the Subscription Agreement.

*Terms not otherwise defined herein have the meanings attributed to them in the Subscription Agreement and in NI 45-106 promulgated under applicable Canadian Securities Laws. All monetary references are in Canadian dollars.*

In connection with the purchase of units (“Units”) of the Corporation by the Subscriber, the Subscriber represents, warrants and covenants (on its own behalf and, if applicable, on behalf of those for whom the Subscriber is contracting under the Subscription Agreement) and certifies to the Corporation and acknowledges that the Corporation is relying thereon that:

#### General

- A. one of the following clauses (i), (ii) or (iii) applies:
- (i) the Subscriber is resident in or otherwise subject to the laws of the jurisdiction set out as the “Subscriber’s Residential Address” on the face page of the Subscription Agreement and is purchasing as principal for its own account and not for the benefit of any other person, for investment only, and not with a view to the resale or distribution of any of the Units;
  - (ii) the Subscriber is contracting hereunder on behalf of a Disclosed Principal and such Disclosed Principal is resident in or otherwise subject to the laws of the jurisdiction set out as the “Disclosed Principal’s Residential Address” on the face page of the Subscription Agreement and is purchasing as principal for its own account and not for the benefit of any other person, for investment only, and not with a view to the resale or distribution of any of the Units; or
  - (iii) the Subscriber is deemed to be purchasing as principal pursuant to NI 45-106 with respect to a purchase of the Units, by virtue of the fact that it is a trust company or trust corporation described in clause (p) of the definition of “accredited investor” in Section B below and is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada, or by virtue of the fact that it is a person or company described in clause (q) of the definition of “accredited investor” in clause B below; **and**

#### Prospectus Exemptions

- B. one of the following clauses (i) or (ii) applies (check applicable category):
- (i) the Subscriber or the Disclosed Principal, as applicable, is, as of the date hereof, and will be, as of the Closing Date, an “accredited investor”, as such term is defined in NI 45-106, by virtue of the

fact that the Subscriber or the Disclosed Principal, as applicable, falls within one or more of the following categories **checked below**:<sup>1</sup>

(a)	a Canadian financial institution, or a Schedule III bank;	<input type="checkbox"/>
(b)	the Business Development Bank of Canada incorporated under the <i>Business Development Bank of Canada Act</i> (Canada);	<input type="checkbox"/>
(c)	a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;	<input type="checkbox"/>
(d)	a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer;	<input type="checkbox"/>
(e)	an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);	<input type="checkbox"/>
(e.1)	an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the Securities Act (Ontario) or the Securities Act (Newfoundland and Labrador);	<input type="checkbox"/>
(f)	the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;	<input type="checkbox"/>
(g)	a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;	<input type="checkbox"/>
(h)	any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;	<input type="checkbox"/>
(i)	a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada;	<input type="checkbox"/>
(j)	an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000;  <i>(“<b>financial assets</b>” include (i) cash, (ii) securities, or (iii) a contract of insurance, deposit or an evidence of a deposit that is not a security for the purposes of securities legislation; the value of an investor’s <b>personal residence</b> or other real estate is <b>not included</b> in the calculation of financial assets);</i>	<input type="checkbox"/>
(j.1)	an individual who beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$5,000,000;	<input type="checkbox"/>
(k)	an individual whose net income before taxes exceeded \$200,000 in each of the 2 most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the 2 most recent calendar years and who, in either case, reasonably	<input type="checkbox"/>

<sup>1</sup> **NOTE: A Subscriber checking boxes (j), (k) or (l) below must also complete and sign Appendix A to this Schedule B (Form 45-106F9 - Form for Individual Accredited Investors).**

	expects to exceed that net income level in the current calendar year;	
(l)	an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;	<input type="checkbox"/>
(m)	a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;	<input type="checkbox"/>
(n)	an investment fund that distributes or has distributed its securities only to (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [Minimum amount investment], or 2.19 [Additional investment in investment funds] of NI 45-106, or (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [Investment fund reinvestment] of NI 45-106;	<input type="checkbox"/>
(o)	an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;	<input type="checkbox"/>
(p)	a trust company or trust corporation registered or authorized to carry on business under the <i>Trust and Loan Companies Act</i> (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;	<input type="checkbox"/>
(q)	a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;	<input type="checkbox"/>
(r)	a registered charity under the <i>Income Tax Act</i> (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;	<input type="checkbox"/>
(s)	an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;	<input type="checkbox"/>
(t)	a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;	<input type="checkbox"/>
(u)	an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser;	<input type="checkbox"/>
(v)	a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or	<input type="checkbox"/>
(w)	a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.	<input type="checkbox"/>

- (ii) if not purchasing under clause (i) above, (A) the Subscriber is not an individual, (B) the Subscriber is purchasing the Units as principal, (C) the Aggregate Subscription

Price of the Units purchased by the Subscriber is not less than \$150,000 paid in cash at the time of the distribution, and (D) the Subscriber has not been created or used solely to purchase or hold securities in reliance on this exemption.

The foregoing representations are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Date. If any such representation shall not be true and accurate prior to the Closing Date, the undersigned shall give immediate written notice of such fact to the Corporation.

Dated: \_\_\_\_\_, 2021

\_\_\_\_\_  
Name of Subscriber

\_\_\_\_\_  
Name of witness (if the Subscriber is an individual)

\_\_\_\_\_  
Signature of Subscriber

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
If the Subscriber is a corporation, print name and title of Authorized Signing Officer

APPENDIX A TO SCHEDULE B

Form 45-106F9

Form for Individual Accredited Investors

**WARNING!**  
**This investment is risky. Don't invest unless you can afford to lose all the money you pay for this investment.**

<b>SECTION 1 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER</b>	
<b>1. About your investment</b>	
Type of securities: <u>Units (with each Unit consisting of one common share and one common share purchase warrant)</u>	Issuer: <u>POET Technologies Inc.</u>
Purchased from: <u>Issuer</u>	
<b>SECTIONS 2 TO 4 TO BE COMPLETED BY THE PURCHASER</b>	
<b>2. Risk acknowledgement</b>	
This investment is risky. Initial that you understand that:	<b>Your initials</b>
<b>Risk of loss</b> – You could lose your entire investment of \$ _____. [ <i>Instruction: Insert the total dollar amount of the investment.</i> ]	
<b>Liquidity risk</b> – You may not be able to sell your investment quickly – or at all.	
<b>Lack of information</b> – You may receive little or no information about your investment.	
<b>Lack of advice</b> – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to <a href="http://www.aretheyregistered.ca">www.aretheyregistered.ca</a> .	
<b>3. Accredited investor status</b>	
You must meet at least <b>one</b> of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	<b>Your initials</b>
• Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	
• Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
• Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
• Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

**4. Your name and signature**

By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.

First and last name (please print):

Signature:

Date:

**SECTION 5 TO BE COMPLETED BY THE SALESPERSON****5. Sales person information**

*[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]*

First and last name of salesperson (please print):

Telephone:

Email:

Name of firm (if registered):

**SECTION 6 TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER****6. For more information about this investment**

POET Technologies Inc.  
120 Eglinton Avenue East, Suite 1107  
Toronto, Ontario M4P 1E2  
Contact: Thomas Mika, EVP & CFO  
Telephone: (415) 686-2198  
Email: [tm@poet-technologies.com](mailto:tm@poet-technologies.com)

**For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at [www.securities-administrators.ca](http://www.securities-administrators.ca).**

*The purchaser must complete and sign this form. Each of the purchaser and the issuer must receive a copy of this form signed by the purchaser (with the issuer retaining the original). **The issuer is required to keep an originally signed copy of this form for 8 years after the distribution.***



## SCHEDULE C

### UNITED STATES SUBSCRIBERS REPRESENTATION LETTER

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**TO:** POET TECHNOLOGIES INC. (the “Corporation”)  
**AND TO:** CORMARK SECURITIES INC., IBK CAPITAL CORP. and PI FINANCIAL CORP. (collectively, the “Agents”)  
**RE:** PURCHASE OF UNITS OF POET TECHNOLOGIES INC.

This Representation Letter is being delivered in connection with the execution and delivery of the Subscription Agreement of the undersigned subscriber (the “**Subscriber**”) in connection with the purchase of Units (the “**Units**”) and, together with the Underlying Shares, the Warrants and the Warrant Shares, collectively, the “**Securities**”) of the Corporation. Capitalized terms used herein and not defined herein will have the meanings ascribed thereto in the Subscription Agreement.

#### **Part A - Qualified Institutional Buyer**

Each Subscriber that is a Qualified Institutional Buyer hereby represents, warrants and covenants (which representations, warranties and covenants will survive the Closing Date) on its own behalf and, if applicable, on behalf of any beneficial purchaser for whom the Subscriber is contracting hereunder to and with the Corporation, the Agents and the U.S. Affiliates and acknowledges that the Corporation, the Agents, U.S. Affiliates and their respective counsel are relying thereon that:

- (a) The Subscriber understands and acknowledges that the Securities have not been and will not be registered under the U.S. Securities Act or any Blue Sky Laws, and that the offer and sale of Units to it are being made in reliance upon Rule 506(b) of Regulation D, and in compliance with Rule 506(b) of Regulation D.
- (b) The Subscriber is a Qualified Institutional Buyer and is acquiring the Securities (i) for its own account and not on behalf of any other person or (ii) for the account of a Qualified Institutional Buyer with respect to which it exercises sole investment discretion and not with a view to any resale, distribution or other disposition of the Securities in violation of United States federal securities laws or Blue Sky Laws.
- (c) The Subscriber is not an “affiliate” (as defined in Rule 144 under the U.S. Securities Act) of the Corporation and is not acting on behalf of an affiliate of the Corporation.
- (d) The Subscriber understands and acknowledges that any Securities acquired by it in the United States will be considered “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act (“**Restricted Securities**”). To induce the Corporation to issue the Underlying Shares, the Warrants and, if applicable, any Warrant Shares, to the undersigned without a U.S. Securities Act restrictive legend, the undersigned represents, warrants and covenants to the Corporation as follows (collectively, the “**Restricted Security Agreements**”):
  - (i) if in the future it decides to offer, sell, pledge, or otherwise transfer, directly or indirectly, any of the Securities, if any, it will do so only:
    - (A) to the Corporation (though the Corporation is under no obligation to purchase any such securities); or
    - (B) outside the United States in accordance with Rule 904 of Regulation S and in compliance with applicable local laws or regulations;

- (ii) the Securities cannot be offered, sold, pledged or otherwise transferred, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. Persons;
  - (iii) it will cause any CDS participant holding the Securities on its behalf and the beneficial purchasers, if any, of the Securities to comply with the Restricted Security Agreements;
  - (iv) for so long as the Securities constitute Restricted Securities, it will not deposit any of the Securities into the facilities of the Depository Trust Company, or a successor depository within the United States, or arrange for the registration of any of the Securities with Cede & Co. or any successor thereto; and
  - (v) if at any time the Securities constitute Restricted Securities and it is advised by the Corporation that the Corporation has ceased to be a “foreign issuer” as defined in Regulation S, it will return the Securities, if any, to the Corporation for the imposition of a U.S. Securities Act legend.
- (e) The Subscriber acknowledges that the Securities may only be held in an account at CDS Clearing and Depository Services Inc., or a successor depository in Canada, and shall not be held in an account at the Depository Trust Company, or a successor depository within the United States.
  - (f) The Subscriber understands and acknowledges that the Corporation is not obligated to file and has no present intention of filing with the United States Securities and Exchange Commission (the “SEC”) or with any state securities administrator any registration statement in respect of the issuance or the re-sales of the Securities in the United States.
  - (g) The Subscriber acknowledges that the Warrants may not be exercised in the United States or by or on behalf of a U.S. Person or a person in the United States unless exemptions from the registration requirements of the U.S. Securities Act and any applicable Blue Sky Laws are available.
  - (h) The Subscriber acknowledges that the Securities will not be represented by certificates that bear a U.S. restrictive legend or identified by a restricted CUSIP number in reliance on the acknowledgments, representations and agreements contained herein.
  - (i) The Subscriber has implemented, or shall immediately implement, appropriate internal controls and procedures to ensure that the Securities shall be properly identified in its records as “restricted securities” that are subject to the transfer restrictions set forth herein notwithstanding the absence of a U.S. restrictive legend.

#### **Part B - U.S. Accredited Investor**

Each Subscriber that is a U.S. Accredited Investor hereby represents, warrants and covenants (which representations, warranties and covenants will survive the Closing Date) on its own behalf and, if applicable, on behalf of any beneficial purchaser for whom the Subscriber is contracting hereunder to and with the Corporation, the Agents and the U.S. Affiliates and acknowledges that the Corporation, the Agents, U.S. Affiliates and their respective counsel are relying thereon that:

- (a) The Subscriber is (i) purchasing the Units as principal for its own account and not for the benefit of any other Person and it is a U.S. Accredited Investor; or (ii) subscribing for the Units as agent for a beneficial purchaser disclosed on the execution page of this Subscription Agreement, in a transaction in which the Subscriber is exercising sole investment discretion with respect to the purchase of the Units and the Subscriber and each disclosed purchaser for whom it is acting is a U.S. Accredited Investor and is purchasing as principal for its own account and not for the benefit of any other person; and the Subscriber has initialled the category of U.S. Accredited Investor applicable to the Subscriber and any beneficial purchaser below.

(b) The Subscriber (and, if the Subscriber is acting on behalf of a beneficial purchaser, such beneficial purchaser) is a U.S. Accredited Investor as a result of satisfying the requirements of the paragraphs below that the Subscriber has indicated **(the line identified as “BP” is to be initialed by the undersigned if the beneficial purchaser, if any, satisfies the requirements of the corresponding paragraph).**

\_\_\_\_ a bank as defined in Section 3(a)(2) of the U.S. Securities Act or any savings and loan  
\_\_\_\_ association or other institution as defined in Section 3(a)(5)(A) of the U.S. Securities Act  
\_\_\_\_ (BP) whether acting in its individual or fiduciary capacity;

\_\_\_\_ a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934;  
\_\_\_\_ (BP)

\_\_\_\_ an investment adviser registered pursuant to section 203 of the Investment Advisers Act of  
\_\_\_\_ 1940 or registered pursuant to the laws of a state;  
\_\_\_\_ (BP)

\_\_\_\_ an investment adviser relying on the exemption from registering with the SEC under  
\_\_\_\_ section 203(l) or (m) of the Investment Advisers Act of 1940;  
\_\_\_\_ (BP)

\_\_\_\_ an insurance company as defined in Section 2(a)(13) of the U.S. Securities Act;  
\_\_\_\_ (BP)

\_\_\_\_ an investment company registered under the Investment Company Act of 1940, or a  
\_\_\_\_ business development company as defined in Section 2(a)(48) of that Act;  
\_\_\_\_ (BP)

\_\_\_\_ a Small Business Investment Company licensed by the U.S. Small Business Administration  
\_\_\_\_ under Section 301(c) or (d) of the Small Business Investment Act of 1958;  
\_\_\_\_ (BP)

\_\_\_\_ a Rural Business Investment Company as defined in Section 384A of the Consolidated  
\_\_\_\_ Farm and Rural Development Act;  
\_\_\_\_ (BP)

\_\_\_\_ a plan established and maintained by a state, its political subdivisions, or any agency or  
\_\_\_\_ instrumentality of a state or its political subdivisions, for the benefit of its employees, if  
\_\_\_\_ (BP) such plan has total assets in excess of US\$5,000,000;

\_\_\_\_ an employee benefit plan within the meaning of the Employee Retirement Income Security  
\_\_\_\_ Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section  
\_\_\_\_ (BP) 3(21) of such Act, which is either a bank, savings and loan association, insurance company,  
or registered investment adviser, or if the employee benefit plan has total assets in excess of  
US\$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons  
that are U.S. Accredited Investors;

\_\_\_\_ a private business development company as defined in Section 202(a)(22) of the  
\_\_\_\_ Investments Advisers Act of 1940;  
\_\_\_\_ (BP)

\_\_\_\_ an organization described in section 501(c)(3) of the Internal Revenue Code of 1986,  
\_\_\_\_ corporation, Massachusetts or similar business trust, limited liability company or  
\_\_\_\_ (BP) partnership not formed for the specific purpose of acquiring the Units, with total assets in

excess of US\$5,000,000;

\_\_\_\_ a director or executive officer of the Corporation;

\_\_\_\_ (BP)

\_\_\_\_ a natural person whose individual net worth, or joint net worth with that person's spouse, at the time of purchase, exceeds US\$1,000,000 (for the purposes of calculating net worth, (i) the person's primary residence shall not be included as an asset; (ii) indebtedness that is secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time of this certification, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of this certification exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess shall be included as a liability); and (iii) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the primary residence shall be included as a liability);

\_\_\_\_ (BP)

\_\_\_\_ a natural person who had an individual income in excess of US\$200,000 in each of the two most recent years, or joint income with that person's spouse in excess of US\$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year;

\_\_\_\_ (BP)

\_\_\_\_ a trust with total assets in excess of US\$5,000,000, not formed for the specific purpose of acquiring the Units, whose purchase is directed by a sophisticated person, being defined as a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of the prospective investment; or

\_\_\_\_ (BP)

\_\_\_\_ an entity in which all of the equity owners are accredited investors within one or more of the foregoing categories;

\_\_\_\_ (BP)

\_\_\_\_ an entity of a type not listed within the foregoing categories, that is not formed for the specific purpose of acquiring the Securities and owns investments in excess of \$5,000,000. For purposes of this clause, "investments" means investments as defined in Rule 2a51-1(b) under the Investment Corporation Act of 1940;

\_\_\_\_ (BP)

\_\_\_\_ a natural person who holds, in good standing, one of the following professional licenses: the General Securities Representative license (Series 7), the Private Securities Offerings Representative license (Series 82), or the Investment Adviser Representative license (Series 65);

\_\_\_\_ (BP)

\_\_\_\_ a family office, as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, that (i) has assets under management in excess of \$5,000,000; (ii) is not formed for the specific purpose of acquiring the Securities and (iii) has a person directing the prospective investment who has such knowledge and experience in financial and business matters so that the family office is capable of evaluating the merits and risks of the prospective investment; or

\_\_\_\_ (BP)

\_\_\_\_ a family client, as defined in Rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, of a family office meeting the requirements above.

\_\_\_\_ (BP)

- (c) The Subscriber understands that, if it (or any beneficial purchaser on whose behalf it is acting) decides to offer, sell, pledge or otherwise transfer any of the Securities, they may be offered, sold, pledged or otherwise transferred only (i) to the Corporation, (ii) outside the United States in compliance with Rule 904 of Regulation S and in compliance with applicable local laws and regulations, (iii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act and is available for resale of the Securities, or (iv) in compliance with an exemption from registration under the U.S. Securities Act, including Rule 144 or Rule 144A thereunder, if available, and, in each case, in compliance with any applicable Blue Sky Laws. The Subscriber further understands and agrees that in the event of a transfer pursuant to the foregoing clause (ii) or (iv), the Corporation will require a legal opinion of counsel of recognized standing, or other evidence, reasonably satisfactory to the Corporation that such transfer is exempt from registration under the U.S. Securities Act and applicable Blue Sky Laws.
- (d) The Subscriber understands that upon the original issuance thereof, and until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable Blue Sky Laws, certificates representing the Securities and all certificates issued in exchange therefore or in substitution thereof, will bear the following legends (in addition to those set forth in Section 8(y) of the Subscription Agreement):

“THE OFFER AND SALE OF SECURITIES REPRESENTED HEREBY [AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT AND IS AVAILABLE FOR RESALE OF THE SECURITIES, OR (D) IN COMPLIANCE WITH AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT, INCLUDING RULE 144 OR RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS. THE HOLDER FURTHER UNDERSTANDS AND AGREES THAT IN THE EVENT OF A TRANSFER PURSUANT TO THE FOREGOING CLAUSE (B) OR (D), THE CORPORATION WILL REQUIRE A LEGAL OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE SATISFACTORY TO THE CORPORATION THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided, that if the Securities are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S in circumstances where Rule 905 of Regulation S does not apply, and in compliance with applicable local laws and regulations, the legends set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in substantially the form set forth as Annex A hereto (or in such other form as the Corporation may prescribe from time to time) and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of

recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; provided further, that if any of the Securities are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable Blue Sky Laws, the legend may be removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable Blue Sky Laws.

- (e) The Warrants may not be exercised in the United States or by, or on behalf of, a U.S. Person or a person in the United States unless exemptions are available from the registration requirements of the U.S. Securities Act and applicable Blue Sky Laws, and until such time as the same is no longer required under applicable requirements of the U.S. Securities Act or applicable Blue Sky Laws, the certificates representing Warrants shall, in addition to the legend set forth in paragraph (d), bear a legend in substantially the following form:

**“THIS WARRANT AND THE UNDERLYING SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON OR PERSON IN THE UNITED STATES AND THE UNDERLYING SHARES MAY NOT BE DELIVERED WITHIN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SHARES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE, AND THE HOLDER HAS DELIVERED AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT. “UNITED STATES” AND “U.S. PERSON” ARE USED HEREIN AS SUCH TERMS ARE DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.”**

- (f) The Subscriber consents to the Corporation making a notation on its records or giving instruction to the registrar and transfer agent of the Corporation in order to implement the restrictions on transfer and exercise with respect to the Securities set forth and described herein.

### **Part C - General**

In addition to the representations, warranties and covenants set out in Part A and B, as applicable, each Subscriber hereby represents, warrants and covenants (which representations, warranties and covenants will survive the Closing Date) on its own behalf and, if applicable, on behalf of any beneficial purchaser for whom the Subscriber is contracting hereunder to and with the Corporation, the Agents and the U.S. Affiliates and acknowledges that the Corporation, the Agents, U.S. Affiliates and their respective counsel are relying thereon that:

- (a) The Subscriber is authorized to consummate the purchase of the Units.
- (b) The Subscriber understands and acknowledges that the offer and sale of the Securities has not been and will not be registered under the U.S. Securities Act or any Blue Sky Law, and that the Units are being offered and sold to a limited number of U.S. Accredited Investors and Qualified Institutional Buyers in transactions exempt from registration under the U.S. Securities Act and applicable Blue Sky Laws; accordingly, the Securities are or will be when issued, as applicable, “restricted securities” within the meaning of Rule 144(a)(3) of the U.S. Securities Act.
- (c) The Subscriber, and each beneficial purchaser, if any, is acquiring the Units for investment purposes only and not with a view to any resale, distribution or other disposition of the Units in

violation of United States federal securities laws or Blue Sky Laws, and the Subscriber acknowledges that the exemption from registration under the U.S. Securities Act and applicable Blue Sky Laws depends, among other things, upon the *bonafide* nature of the investment intent expressed herein.

- (d) The Subscriber understands that the Corporation is not obligated to file and has no present intention of filing with the SEC or with any securities regulator in any state of the United States any registration statement in respect of resales of the Securities in the United States.
- (e) The Subscriber understands and acknowledges that the financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies.
- (f) The Subscriber acknowledges that it has been independently advised as to, or acknowledges that it is aware, and understands that the acquisition, holding and disposition of the Securities may have tax consequences under the laws of both the United States and Canada, including, without limitation, with respect to the potential applicability of United States federal tax rules related to “passive foreign investment companies” (“PFIC”) and “qualified electing fund” (“QEF”) elections (as such terms are defined in the United States Internal Revenue Code of 1986, as amended), confirms that no representation has been made to it by or on behalf of the Corporation with respect thereto, and acknowledges and understands that it is its sole responsibility to determine and assess such tax consequences as may apply to its particular circumstances.
- (g) The Subscriber understands and acknowledges that: (i) if the Corporation were to be classified as a PFIC for a tax year in which the Subscriber owns Securities, the Subscriber would be subject to adverse United States federal income tax consequences that might be mitigated if it were to make a timely QEF election; (ii) the Subscriber’s ability to make a QEF election will depend in part upon the Corporation complying with certain record keeping and information delivery requirements; and (iii) there is no assurance that the Corporation will satisfy the record keeping requirements that apply to a PFIC, or that the Corporation will supply the Subscriber with the information that the Subscriber is required to report under QEF rules if the Corporation is a PFIC and the Subscriber wishes to make a QEF election. Therefore, the Subscriber understands and acknowledges that it may not be able to make a QEF election with respect to the Securities.
- (h) The Subscriber represents and warrants that (a) the funds representing the Aggregate Subscription Price which will be advanced by it to the Corporation will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act (the “PATRIOT Act”), and it acknowledges that the Corporation, the Agents and/or the U.S. Affiliates may in the future be required by law to disclose its name and other information relating to the Offering and the its subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act, and (b) no portion of the Aggregate Subscription Price to be provided by it (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity that has not been identified to or by it, and it shall promptly notify the Agents and/or the U.S. Affiliates, and the Corporation if it discovers that any of such representations ceases to be true and provide the Agents and/or the U.S. Affiliates and the Corporation with appropriate information in connection therewith.
- (i) The Subscriber is aware that its ability to enforce civil liabilities under the United States federal securities laws may be affected adversely by, among other things: (i) the fact that the Corporation is organized under the laws of Canada; (ii) some or all of the directors and officers may be residents of countries other than the United States; and (iii) all or a substantial portion of the assets of the Corporation and such persons may be located outside the United States.

- (j) The Subscriber understands and acknowledges that no offering document, registration statement or prospectus has been, nor will be, prepared in connection with the offering of the Securities and has conducted its own investigation. The Subscriber has had access to such information concerning the Corporation as it has considered necessary or appropriate in connection with its investment decision to acquire the Units and has such knowledge and experience in financial and business matters as to be capable of evaluating independently the merits and risks of its investment and it, and any account for which it is acting, is able to bear the economic risk of loss of its investment in the Units.
- (k) The office or other address of the Subscriber at which the Subscriber received and accepted the offer to purchase the Units is the address listed as the “Subscriber’s Residential Address” on the face page of the Subscription Agreement.
- (l) Neither the Subscriber, nor any partner, director or officer or any person directly or indirectly controlling, controlled by or under common control with the Subscriber, including any of its employees, is subject to any “disqualifying event” set forth in Rule 506(d) of Regulation D or any similar disqualification provision.
- (m) The provisions of this Representation Letter will be true and correct both as of the date of execution of this Subscription Agreement and as of the Closing Date and will survive after the date of execution of this Subscription Agreement.

The Subscriber undertakes to notify the Corporation, the Agents and the U.S. Affiliates immediately of any change in any representation, warranty or other information relating to the Subscriber or, if applicable, the beneficial purchaser set forth herein, which takes place prior to the Closing Date.

DATED at \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 2021.

**If a Corporation, Partnership or Other Entity:**

**If an Individual:**

\_\_\_\_\_  
Name of Entity

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Type of Entity

\_\_\_\_\_  
Print or Type Name

\_\_\_\_\_  
Signature of Person Signing

\_\_\_\_\_  
Print or Type Name and Title of Person Signing



ANNEX A TO SCHEDULE C

**FORM OF DECLARATION FOR REMOVAL OF LEGEND**

**TO:** POET Technologies Inc.

**AND TO:** The registrar and transfer agent for the securities of POET Technologies Inc.

The undersigned (A) acknowledges that the sale of the securities of POET Technologies Inc. (the “**Corporation**”) to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) and (B) certifies that (1) the undersigned is not an “affiliate” of the Corporation as that term is defined in Rule 405 under the U.S. Securities Act, a “distributor” or an affiliate of “distributor”, (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of a “designated offshore securities market” (as defined in Rule 902 of Regulation S under the U.S. Securities Act) and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on their behalf has engaged or will engage in any “directed selling efforts” in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of “washing-off” the resale restrictions imposed because the securities are “restricted securities” as that term is described in Rule 144(a)(3) under the U.S. Securities Act, (5) the seller does not intend to replace such securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Unless otherwise specified, terms set forth above in quotation marks have the meanings given to them by Regulation S under the U.S. Securities Act.

The undersigned in making this Declaration acknowledges that the Corporation is relying on the contents hereof and hereby agrees to indemnify and hold harmless the Corporation for any and all liability, losses, claims and demands in any way related to the subject matter of this Declaration.

DATED at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
Name:  
Title:

**AFFIRMATION BY SELLER’S BROKER-DEALER (REQUIRED FOR SALES IN ACCORDANCE WITH SECTION (B)(2)(B) ABOVE)**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the “Seller”) dated \_\_\_\_\_, with regard to our sale, for such Seller’s account, of the securities of the Corporation described therein, and on behalf of ourselves we certify and affirm that (A) we have no knowledge that the transaction had been prearranged with a buyer in the United States, (B) the transaction was executed on or through the facilities of the TSX Venture Exchange, (C) neither we, nor any person acting on our behalf, engaged in any directed selling efforts in connection with the offer and sale of such securities, and (D) no selling concession, fee or other remuneration is being paid to us in connection with this offer and sale other than the usual and customary broker’s commission that would be received by a person executing such transaction as agent. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.

\_\_\_\_\_  
Name of Firm

By: \_\_\_\_\_

Authorized officer

Date: \_\_\_\_\_

## SCHEDULE D

### FOREIGN SUBSCRIBER PURCHASER'S CERTIFICATE

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**NOTE: SUBSCRIBERS WHO ARE, OR ARE SUBSCRIBING FOR THE ACCOUNT OR BENEFIT OF, PERSONS RESIDENT OF JURISDICTIONS OTHER THAN CANADA AND THE UNITED STATES OF AMERICA MUST COMPLETE AND SIGN THIS CERTIFICATE.**

**TO: POET TECHNOLOGIES INC. (the "Corporation")**

**AND TO: CORMARK SECURITIES INC., IBK CAPITAL CORP. and PI FINANCIAL CORP. (collectively, the "Agents")**

*Capitalized terms not specifically defined in this Schedule D have the meanings ascribed to them in the Subscription Agreement to which this Schedule D is attached.*

**The undersigned Subscriber, a resident of a jurisdiction other than Canada or the United States, hereby represents and warrants to the Corporation and the Agents, and acknowledges as an integral part of the attached Subscription Agreement, as follows:**

1. The Subscriber is, and each beneficial purchaser for whom the Subscriber is purchasing for under the Subscription Agreement or for whom the Subscriber may be acting as trustee or agent is, a resident of a country (an "**International Jurisdiction**") other than Canada or the United States and the decision to subscribe for the Purchased Securities was taken in such International Jurisdiction.
2. The delivery of the Subscription Agreement, the acceptance of it by the Corporation and the issuance of the Purchased Securities to the Subscriber, or each beneficial purchaser for whom the Subscriber is purchasing for under the Subscription Agreement, complies with all laws applicable to the Subscriber and such beneficial purchaser, including the laws of such purchaser's jurisdiction of residence, and all other applicable laws, and will not require the Corporation to register the Purchased Securities nor will it cause the Corporation to become subject to, or require it to comply with, any disclosure, prospectus, filing or reporting requirements under any applicable laws of the International Jurisdiction or seek any approvals of any kind whatsoever from any regulatory authority of any kind whatsoever in the International Jurisdiction. The Subscriber will provide such evidence of compliance with all such matters as the Corporation or its counsel may request.
3. The Subscriber, and each beneficial purchaser for whom the Subscriber is purchasing for under the Subscription Agreement, is knowledgeable of, or has been independently advised as to, the application or jurisdiction of the securities laws of the International Jurisdiction which would apply to the transactions contemplated by the Subscription Agreement (other than the securities laws of Canada and the United States).
4. The Subscriber and each beneficial purchaser for whom the Subscriber is purchasing for under the Subscription Agreement, is purchasing the Purchased Securities pursuant to exemptions from the prospectus and registration requirements (or their equivalent) under the applicable securities laws of that International Jurisdiction or, if such is not applicable, each is permitted to purchase the Purchased Securities under the applicable securities laws of the International Jurisdiction without the need to rely on an exemption.
5. The Subscriber and each beneficial purchaser for whom the Subscriber is purchasing for under the Subscription Agreement will not sell, transfer or dispose of the Purchased Securities except in accordance with all applicable laws, including applicable securities laws of Canada and the United States, and the Subscriber, and each beneficial purchaser for whom the Subscriber is purchasing for under the Subscription Agreement, acknowledges that the Corporation shall have no obligation to register any such purported sale, transfer or disposition which violates applicable Canadian or United States or other securities laws.

The Subscriber acknowledges that the Corporation may be required to file with the securities regulatory authority or regulator in one or more Canadian jurisdictions a report regarding the trade. The Subscriber acknowledges that such report may require the Corporation to disclose the Subscriber's full legal name, residential address, telephone number and email address and the number of securities the Subscriber purchased, the purchase price for such securities and specific details of the prospectus exemption relied upon under applicable securities laws to complete such purchase, including how the Subscriber qualifies for such exemption. The Subscriber consents to the disclosure of such information and acknowledges that such information is made available to the public under securities legislation of Ontario. The Subscriber acknowledges that this information is collected indirectly by the applicable securities regulatory authority or regulator under the authority granted to it under, and for the purposes of the administration and enforcement of, the securities legislation and that the Subscriber may contact the applicable securities regulatory authority or regulator by way of the contact information provided in Schedule F for more information regarding the indirect collection of such information.

The foregoing representations and warranties contained in this Schedule D are true and accurate as of the date of this Schedule D and will be true and accurate as of the Closing Date. If any such representations or warranties shall not be true and accurate prior to the Closing Date, the undersigned shall give immediate written notice of such fact to the Corporation and the Agents prior to the Closing Date.

The Subscriber and each beneficial purchaser for whom the Subscriber is purchasing for under the Subscription Agreement will not sell, transfer or dispose of the Purchased Securities to the extent any such sale, transfer or disposal would cause an obligation for a prospectus or registration statement to be prepared, published or registered in any jurisdiction.

*[Remainder of page intentionally left blank. Signature page follows.]*

Dated the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

By:

\_\_\_\_\_  
Print name of Subscriber (or person signing as agent)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
(please print name of individual whose signature appears above, if different from name of Subscriber or agent printed above)

## SCHEDULE E

### SUBSCRIBER INFORMATION SHEET

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#### INFORMATION TO BE COMPLETED BY EACH SUBSCRIBER:

##### A Registration Form

The Subscriber, if not an individual and (i) is a member of the “Pro Group” (as described below), or (ii) is (or will be after completion of the Offering) an “Insider” (as described below), or (iii) will be a holder of more than 5% of the listed shares after completion of the Offering, either [**check appropriate box**]:

- has previously filed with the TSX Venture Exchange (the “**TSXV**”) a Form 4C, Corporate Placee Registration Form, represents and warrants that there has been no change to any of the information in the Corporate Placee Registration Form previously filed with the TSXV up to the date hereof; or
- hereby delivers a completed Form 4C, Corporate Placee Registration Form, in the form attached as Appendix A to this Schedule E to the Corporation for filing with the TSXV.

##### B. Present Ownership of Securities

The Subscriber either [**check appropriate box**]:

- does not own directly or indirectly, or exercise control or direction over, any common shares of the Corporation or securities convertible into common shares of the Corporation; or
- owns directly or indirectly, or exercises control or direction over, \_\_\_\_\_ outstanding common shares of the Corporation and convertible securities entitling the Subscriber to acquire additional common shares of the Corporation which, if converted, in the aggregate would represent \_\_\_\_\_ common shares of the Corporation.

##### C. Insider Status

The Subscriber either [**check appropriate box**]:

- is an “Insider” of the Corporation as defined in the policies of the TSXV as follows:
  - (a) a director or senior officer of the Corporation;
  - (b) a director or senior officer of a company that is itself an Insider or subsidiary of the Corporation;
  - (c) a person that beneficially owns or controls, directly or indirectly, voting shares of the Corporation carrying more than 10% of the voting rights attached to all the Corporation’s outstanding voting shares; or
  - (d) the Corporation itself if it holds any of its own securities; or
- is not an Insider of the Corporation.

**D. Member of “Pro Group”**

The Subscriber either **[check appropriate box]**:

- is a member of the “Pro Group” as defined in the Rules of the TSXV, as follows:
1. subject to subparagraphs (2), (3) and (4), either individually or as a group:
    - (a) the member (i.e. a member of the TSXV under TSXV requirements);
    - (b) employees of the member;
    - (c) partners, officers or directors of the member;
    - (d) affiliates of the member; and
    - (e) associates of any parties referred to in subparagraphs (a) through (d);
  2. the TSXV may, in its discretion, include a person or party in the Pro Group for the purposes of a particular calculation where the TSXV determines that the person is not acting at arm’s length with the member;
  3. the TSXV may, in its discretion, exclude a person from the Pro Group for the purposes of a particular calculation where the TSXV determines that the person is acting at arm’s length with the member;
  4. the member may deem a person who would otherwise be included in the Pro Group pursuant to subparagraph (1) to be excluded from the Pro Group where the member determines that:
    - (a) the person is an affiliate or associate of the member acting at arm’s length of the member;
    - (b) the associate or affiliate has a separate corporate and reporting structure;
    - (c) there are sufficient controls on information flowing between the member and the associate or affiliate; and
    - (d) the member maintains a list of such excluded persons; or
- is not a member of the Pro Group.

**APPENDIX A TO SCHEDULE E**
**TSX VENTURE EXCHANGE  
PRIVATE PLACEMENT FORM**
**FORM 4C  
CORPORATE PLACEE REGISTRATION FORM**

This Form will remain on file with the Exchange and must be completed if required under section 4(b) of Part II of Form 4B. The corporation, trust, portfolio manager or other entity (the “Placee”) need only file it on one time basis, and it will be referenced for all subsequent Private Placements in which it participates. If any of the information provided in this Form changes, the Placee must notify the Exchange prior to participating in further placements with Exchange listed Issuers. If as a result of the Private Placement, the Placee becomes an Insider of the Corporation, Insiders of the Placee are reminded that they must file a Personal Information Form (2A) or, if applicable, Declarations, with the Exchange.

1. Placee Information:
  - (a) Name: \_\_\_\_\_
  - (b) Complete Address: \_\_\_\_\_
  - (c) Jurisdiction of Incorporation or Creation: \_\_\_\_\_
  
2.
  - (a) Is the Placee purchasing securities as a portfolio manager: (Yes/No)? \_\_\_\_\_
  - (b) Is the Placee carrying on business as a portfolio manager outside of Canada: (Yes/No)? \_\_\_\_\_
  
3. If the answer to 2(b) above was “Yes”, the undersigned certifies that:
  - (a) it is purchasing securities of the Corporation on behalf of managed accounts for which it is making the investment decision to purchase the securities and has full discretion to purchase or sell securities for such accounts without requiring the client’s express consent to a transaction;
  - (b) it carries on the business of managing the investment portfolios of clients through discretionary authority granted by those clients (a “portfolio manager” business) in \_\_\_\_\_ [jurisdiction], and it is permitted by law to carry on a portfolio manager business in that jurisdiction;
  - (c) it was not created solely or primarily for the purpose of purchasing securities of the Corporation;
  - (d) the total asset value of the investment portfolios it manages on behalf of clients is not less than \$20,000,000; and
  - (e) it has no reasonable grounds to believe, that any of the directors, senior officers and other insiders of the Corporation, and the persons that carry on investor relations activities for the Corporation has a beneficial interest in any of the managed accounts for which it is purchasing.

4. If the answer to 2(a). above was “No”, please provide the names and addresses of Control Persons of the Placee:

Name *	City	Province or State	Country

\* If the Control Person is not an individual, provide the name of the individual that makes the investment decisions on behalf of the Control Person.

5. Acknowledgement - Personal Information and Securities Laws

- (a) **“Personal Information”** means any information about an identifiable individual, and includes information contained in sections 1, 2 and 4, as applicable, of this Form.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (i) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to this Form; and
  - (ii) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.
- (b) The undersigned acknowledges that it is bound by the provisions of applicable Securities Law, including provisions concerning the filing of insider reports and reports of acquisitions.

Dated and certified (if applicable), acknowledged and agreed, at \_\_\_\_\_  
on \_\_\_\_\_.

\_\_\_\_\_  
(Name of Purchaser - please print)

\_\_\_\_\_  
(Authorized Signature)

\_\_\_\_\_  
(Official Capacity - please print)

\_\_\_\_\_  
(Please print name of individual whose signature appears above)

**THIS IS NOT A PUBLIC DOCUMENT**



## SCHEDULE F

### CONTACT INFORMATION FOR CANADIAN SECURITIES COMMISSIONS

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**Alberta Securities Commission**

Suite 600, 250 – 5th Street SW  
Calgary, Alberta T2P 0R4  
Telephone: (403) 297-6454  
Toll free in Canada: 1-877-355-0585  
Facsimile: (403) 297-2082

**British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, British Columbia V7Y 1L2  
Inquiries: (604) 899-6854  
Toll free in Canada: 1-800-373-6393  
Facsimile: (604) 899-6581  
Email: [inquiries@bcsc.bc.ca](mailto:inquiries@bcsc.bc.ca)

**The Manitoba Securities Commission**

500 – 400 St. Mary Avenue  
Winnipeg, Manitoba R3C 4K5  
Telephone: (204) 945-2548  
Toll free in Manitoba 1-800-655-5244  
Facsimile: (204) 945-0330

**Financial and Consumer Services Commission  
(New Brunswick)**

85 Charlotte Street, Suite 300  
Saint John, New Brunswick E2L 2J2  
Telephone: (506) 658-3060  
Toll free in Canada: 1-866-933-2222  
Facsimile: (506) 658-3059  
Email: [inf@fnb.ca](mailto:inf@fnb.ca)

**Government of Newfoundland and Labrador  
Financial Services Regulation Division**

P.O. Box 8700  
Confederation Building  
2nd Floor, West Block  
Prince Philip Drive  
St. John's, Newfoundland and Labrador A1B 4J6  
Attention: Director of Securities  
Telephone: (709) 729-4189  
Facsimile: (709) 729-6187

**Government of the Northwest Territories  
Office of the Superintendent of Securities**

P.O. Box 1320  
Yellowknife, Northwest Territories X1A 2L9  
Attention: Deputy Superintendent, Legal & Enforcement  
Telephone: (867) 920-8984  
Facsimile: (867) 873-0243

**Nova Scotia Securities Commission**

Suite 400, 5251 Duke Street, Duke Tower  
P.O. Box 458  
Halifax, Nova Scotia B3J 2P8  
Telephone: (902) 424-7768  
Facsimile: (902) 424-4625

**Government of Nunavut**

**Department of Justice**  
Legal Registries Division  
P.O. Box 1000, Station 570  
1st Floor, Brown Building  
Iqaluit, Nunavut X0A 0H0  
Telephone: (867) 975-6590  
Facsimile: (867) 975-6594

**Ontario Securities Commission**

20 Queen Street West, 22<sup>nd</sup> Floor  
Toronto, Ontario M5H 3S8  
Telephone: (416) 593-8314  
Toll free in Canada: 1-877-785-1555  
Facsimile: (416) 593-8122  
Email: [exemptmarketfilings@osc.gov.on.ca](mailto:exemptmarketfilings@osc.gov.on.ca)  
Public official contact regarding indirect collection of information:  
Inquiries Officer

**Prince Edward Island Securities Office**

95 Rochford Street, 4th Floor Shaw Building  
P.O. Box 2000  
Charlottetown, Prince Edward Island C1A 7N8  
Telephone: (902) 368-4569  
Facsimile: (902) 368-5283

**Autorité des marchés financiers**

800, Square Victoria, 22e étage  
C.P. 246, Tour de la Bourse  
Montréal, Québec H4Z 1G3  
Telephone: (514) 395-0337 or 1-877-525-0337  
Facsimile: (514) 873-6155 (For filing purposes only)  
Facsimile: (514) 864-6381 (For privacy requests only)  
Email: [financementdessocietes@lautorite.qc.ca](mailto:financementdessocietes@lautorite.qc.ca)  
(For corporate finance issuers);  
[fonds\\_dinvestissement@lautorite.qc.ca](mailto:fonds_dinvestissement@lautorite.qc.ca)  
(For investment fund issuers)

**Financial and Consumer Affairs Authority of Saskatchewan**

Suite 601 - 1919 Saskatchewan Drive  
Regina, Saskatchewan S4P 4H2  
Telephone: (306) 787-5879  
Facsimile: (306) 787-5899

**Government of Yukon**

**Department of Community Services**  
Law Centre, 3rd Floor  
2130 Second Avenue  
Whitehorse, Yukon Y1A 5H6  
Telephone: (867) 667-5314  
Facsimile: (867) 393-6251