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NOTICE OF MEETING  
AND  
MANAGEMENT INFORMATION CIRCULAR  
FOR THE  
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON  
SEPTEMBER 20, 2019

**DATED AS OF AUGUST 20, 2019**

The board of directors of POET Technologies, after consultation with its legal and financial advisors unanimously approved the proposed Share Sale Transaction as described in the enclosed management information circular and is unanimously recommending that holders of common shares of POET Technologies, Inc. vote **FOR** (a) the Share Sale Transaction Approval Resolutions (as defined in the enclosed information circular), (b) the election of directors of POET Technologies Inc. for the coming year, and (c) the appointment of Marcum LLP as the Company's auditors and authorizing the directors to fix their remuneration.

## MESSAGE TO SHAREHOLDERS

POET Technologies Inc. (the “Company” or “POET”) is pleased to invite you to join us at our Annual and Special Meeting (the “Meeting”) of holders of common shares (the “Shares”) of the Company (the “Shareholders”). The Meeting will be held at Vantage Venues 150 King Street West, 27th Floor, Toronto, Ontario, Canada at 10:00 a.m. (Toronto time) on September 20, 2019.

The accompanying management information circular (the “Circular”) contains important information about voting on the business to be transacted at the Meeting.

As announced on February 4, 2019, the Company entered into a non-binding Letter of Intent (“LOI”) for the sale of the capital stock of its Singapore-based subsidiary, DenseLight Semiconductors Pte. Ltd. (“DenseLight”) for cash consideration in the range of US\$26 - \$30 million (C\$34.5 – C\$40 million), including a US\$4 million (C\$5.3 million) earn-out provision (herein referred to as the “Share Sale Transaction” or the “Transaction”). The LOI included no-shop and confidentiality clauses, and an undertaking to enter into certain ancillary agreements between the Company and DenseLight, including a preferred supply agreement and a strategic cooperation agreement among the parties (the “Ancillary Agreements”).

On August 20, 2019 the Company and the buyer signed a Share Sale Agreement (“SSA”), which is subject to approval by the Shareholders at the Meeting on September 20, 2019. Since February 4, 2019, the Company has been assisting in the due diligence process with third-party accountants and attorneys, negotiating the specific terms of the Share Sale Agreement (the principal document governing the Transaction) through China Prosper Group as a representative of investors, assisting the Company’s Singapore-based counsel in drafting the definitive agreements, and formulating transition plans in connection with the sale. The key terms of the Ancillary Agreements have also been agreed in substance and referenced in the Share Sale Agreement. The Ancillary Agreements will be signed on or prior to the closing of the Transaction (the “Closing”), which is expected to occur on or before October 31, 2019. The period between signing and closing will allow the Company to seek shareholder approval and China Prosper Group to coordinate the transfer of ownership interests to investors and assist with foreign currency transfers.

The buyer of DenseLight is a consortium of at least two companies and several individuals who have track records of extraordinary success in semiconductor and technology businesses based in the Peoples Republic of China (herein, the “Consortium”). The Consortium, described later in the accompanying Circular, recently organized under the leadership of China Prosper Group into a newly-formed Shanghai based company called “**DenseLight Semiconductor Technology (Shanghai) Co. Ltd.**” (herein, the “Buyer”), which will be the entity that acquires the shares of DenseLight from the Company at the Closing. It is also the entity that will fund DenseLight’s operations and invest in a high-volume manufacturing plant to be built in Suzhou, China, a city close to Shanghai.

The proposed sale of DenseLight represents both a fundamental change in the Company’s approach to its business and an opportunity to leverage a strong and continuing relationship with both DenseLight and the Consortium to accelerate the growth of its business into major customers and applications globally. The sale will provide needed capital for the expansion of POET and the development of solutions based on its Optical Interposer platform. DenseLight will continue as a key development partner and component supplier under new ownership. As strategic partners to POET, the members of the Consortium are committed to help guide the Company to some of the largest potential customers in China, made possible because of their collective size, knowledge of the market and established technology industry connections.

**The board of directors of the Company (the “Board”), after consultation with its legal and financial advisors, has unanimously determined that the proposed Transaction is advisable and in the best interests of the Company. The Board is unanimously recommending that Shareholders vote FOR: (a) the Share Sale Transaction Approval Resolutions (as defined in the Circular), (b) the election of directors of POET Technologies Inc. for the coming year, and (c) the appointment of Marcum LLP as the Company’s auditors and authorizing the directors to fix their remuneration.** The recommendation of the Board is based on various factors described more fully in the accompanying Circular. Each director and executive officer of the Company intends to vote all of their Shares **FOR** all of the resolutions for which they are entitled to vote.

The enclosed documents describe the Share Sale Transaction and related matters in more detail, as well as the routine matters, and sets forth the actions to be taken by Shareholders at the Meeting. A full text version of the definitive SSA can be found in the Company’s filed documents on SEDAR ([www.sedar.com](http://www.sedar.com)).

The Transaction is subject to approval by at least a majority of the votes cast by Shareholders at the Meeting, voting in person or by proxy, approval of the TSX Venture Exchange, and other customary closing conditions, as described in more detail in the accompanying Circular.

**Your participation in the Meeting is important to us. We encourage all Shareholders to take the opportunity to read the accompanying Circular in full and in advance of the Meeting as it details important information that will assist you in exercising your right to vote as a Shareholder. If the Transaction is not approved by Shareholders, the Company will not receive any Transaction proceeds, will continue to own and operate DenseLight, will not benefit from the proposed strategic partnership with the Buyer and will be forced to repay much of the funds that it has secured to bridge to the Transaction.**

Registered Shareholders as of the record date of August 9, 2019 can exercise their right to vote on the business before the Meeting by either attending in person or by completing and submitting a proxy. Instructions on how to vote by proxy are included in the accompanying Circular. To ensure that your vote is recorded, please return the enclosed form of proxy in the envelope provided, properly completed and duly signed, to the Company's transfer agent and registrar, TSX Trust Company, prior to 10:00 a.m. (Toronto time) on September 18, 2019 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment or postponement.

Non-registered Shareholders, including those who hold Shares in the name of a bank, trust company, securities dealer or broker, or other intermediary, will receive a voting instruction form that contains voting instructions. The voting instruction form includes detailed instructions on how to complete the form, where to return it and the deadline for returning it, which may be earlier than the deadline for registered Shareholders. It is important that you read and follow the instructions on the voting instruction form in order to have your vote count. If you are unsure about anything in such voting instructions, contact your bank, trust company, securities dealer or broker, or other intermediary through which you hold your Shares.

If you have questions or need assistance with the completion and delivery of your proxy, you may contact the TSX Trust Company at 1-866-600-5869.

I look forward to seeing you at the Meeting.

Sincerely,

/s/

Suresh Venkatesan, PhD  
Chief Executive Officer

**POET TECHNOLOGIES INC.**  
**120 Eglinton Avenue East, Suite 1107, Toronto, ON M4P 1E2**  
**Telephone: 416-368-9411**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an Annual and Special Meeting (the “Meeting”) of holders of common shares (the “Shares”) of the Company (the “Shareholders”) will be held at Vantage Venues 150 King Street West, 27th Floor, Toronto, Ontario, Canada at 10:00 a.m. (Toronto time) on September 20, 2019, for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the financial year ended December 31, 2018 together with the Auditor’s Report thereon as well as the unaudited interim financial statements for the three and six months ended June 30, 2019;
2. to approve the Share Sale Transaction Approval Resolutions as detailed in this Circular;
3. to elect the directors of the Company for the coming year;
4. to appoint Marcum LLP as the auditors of the Company and to authorize the directors to fix their remuneration; and
5. to transact such further or other business as may properly come before the Meeting or any adjournments thereof.

The accompanying Circular provides important and detailed information relating to the matters to be dealt with at the Meeting and forms part of this notice. Shareholders are encouraged to express their vote in advance by completing the form of proxy or voting instruction form provided to them.

Registered Shareholders as of the record date of August 9, 2019 may exercise their right to vote by completing and submitting the form of proxy provided to you. To be effective, the proxy must be received by the Company’s transfer agent and registrar, TSX Trust Company, prior to 10:00 a.m. (Toronto time) on September 18, 2019 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment or postponement. Registered Shareholders may also vote their Shares by attending the Meeting in person. Detailed instructions on how to complete and return proxies are provided in the accompanying Circular.

Non-registered Shareholders, including those who hold Shares in the name of a bank, trust company, securities dealer or broker, or other intermediary, should receive a voting instruction form that contains voting instructions. The voting instruction form includes detailed instructions on how to complete the form, where to return it and the deadline for returning it, which may be earlier than the deadline for registered Shareholders. If you are unsure about anything in such voting instructions, contact your intermediary through which you hold your Shares. Shareholders may also vote their Shares through the Internet using the procedures described in the form of proxy or voting instruction form, as applicable.

It is important that you read and follow the instructions on how to vote by proxy included in the accompanying Circular or the instructions on your voting instruction form in order to have your vote count. The voting rights attached to the Shares represented by proxy will be voted in accordance with the instructions indicated thereon. If no instructions are given, the voting rights attached to such Shares will be voted **FOR: (a) the Share Sale Transaction Approval Resolutions (as defined in the Circular), (b) the election of directors of POET Technologies Inc. for the coming year, and (c) the appointment of Marcum LLP as the Company’s auditors and authorizing the directors to fix their remuneration.** For additional inquiries, you may contact the Company at 416-368-9411.

**Dated this 20<sup>th</sup> day of August 2019.**

**By Order of the Board of Directors**

/s/

**Thomas R. Mika**  
**Secretary**

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**POET TECHNOLOGIES INC.**  
**120 Eglinton Avenue East, Suite 1107, Toronto, ON M4P 1E2**  
**Telephone: 416-368-9411**

**MANAGEMENT INFORMATION CIRCULAR**  
(As at August 20, 2019 except as indicated)

The Company is providing this management information circular (the “**Circular**”) in connection with the solicitation of proxies by the management (“**Management**”) of the Company for use at the annual and special meeting (the “**Meeting**”) of the shareholders of the Company to be held at 10:00 a.m. (EDT) on September 20, 2019 and for the purposes set forth in the Notice of Annual and Special Meeting. It is expected that the solicitation of proxies will be primarily by “Notice and Access” to electronic materials available on the Internet or by mail; however, proxies may also be solicited by directors, officers and certain employees of the Company, without receiving special compensation, by telephone, facsimile or by other personal contact. The cost of solicitation of proxies by Management will be borne by the Company.

The Company may pay the reasonable costs incurred by persons who are shareholders but not the beneficial owners of common shares of the Company (“**Shares**”) (such as brokers, dealers and other registrants under applicable securities law and nominees and custodians) in sending or delivering copies of the Notice of Annual and Special Meeting, the Circular, the form of proxy (the “**Proxy**”) and/or the voting instruction form (the “**VIF**”) to the beneficial owners. However, any such payments must be pre-approved by the Company. The Company will furnish to such persons, upon request to the Secretary of the Company, and without additional cost, additional copies of the Notice of Annual and Special Meeting, the Circular, and the Proxy and/or the VIF.

**FORWARD-LOOKING INFORMATION**

This Circular contains 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 Circular 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:

- we have a history of large operating losses;
- we have agreed to divest our major operating asset through the Transaction and have adopted a new “fab-light” strategy;
- if the closing of the Transaction is delayed, we will have to raise more capital to pay back our bridge lenders and sustain the company;
- our need for additional financing, which may not be available on acceptable terms or at all;
- our need to generate cash to service our debt obligations;
- the possibility that we will not be able to compete in the highly competitive photonics market;
- the risk that our objectives will not be met within the timelines we expect or at all;
- research and development risks;
- the risks associated with successfully protecting patents and trademarks and other intellectual property;
- the need to control costs and the possibility of unanticipated expenses;
- the risk that the price of our common stock will be volatile;
- the risk that shareholders’ interests will be diluted through future stock offerings, option and warrant exercises;
- other risks and uncertainties described in our public filings or in “Key Business Risks and Uncertainties” herein.

**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.**

## PROXY MATTERS

### MAILING OF PROXY AND OTHER MATERIALS

#### NOTICE AND ACCESS

In accordance with the Notice and Access rules adopted by the Ontario Securities Commission under NI 54-101, the Company is sending its proxy-related materials (the “Proxy Materials”) to shareholders using the Notice and Access method. Therefore, although shareholders will still receive the Proxy and/or VIF in paper copy, the additional Proxy Materials, including this Management Information Circular, the Notice of Meeting, the Annual Report (containing the annual audited consolidated financial statements and related MD&A) will not be physically delivered. Instead, shareholders may access or download the Proxy Materials from the Company’s registrar and transfer agent’s website <http://docs.tsxtrust.com/2042> or may also access them from SEDAR at [www.sedar.com](http://www.sedar.com) under the Company’s filed documents. The Company believes that this delivery method will expedite the receipt of the Proxy Materials by shareholders, reduce its printing and mailing expenses and reduce the environmental impact of disposing of the Proxy Materials after they are no longer useful.

Registered holders or beneficial owners may request paper copies of the Notice and Management Information Circular booklet be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Proxy Materials are posted on the Company’s website. In order to receive a paper copy of the Proxy Materials or if you have questions concerning Notice and Access, please contact the Secretary of the Company, by telephone at 416-368-9411 or by e-mail at [agm@poet-technologies.com](mailto:agm@poet-technologies.com) or call the Company’s registrar and transfer agent, TSX Trust Company (“TSX Trust”) at 1-866-600-5869.

The purpose of the Proxy and/or VIF which were mailed to shareholders is to designate persons who will vote the Proxy on a shareholder’s behalf in accordance with the instructions given by the shareholder in the said form.

#### VOTING PROCESS – REGISTERED SHAREHOLDERS

##### Appointment of Proxies

The persons named in the Proxy are officers and/or directors of the Company (the “**Management Proxyholders**”). A registered shareholder can appoint a person other than the Management Proxyholders, who need not be a shareholder, to represent him or her at the Meeting by inserting such person’s name in the blank space provided in the Proxy or by completing another form of proxy.

A registered shareholder appointing a proxyholder may indicate the manner in which the appointed proxyholder can vote with respect to any specific item by checking the space opposite the item on the Proxy. If the shareholder giving the Proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item should be left blank. The Shares represented by the Proxy submitted by a shareholder will be voted or withheld from voting in accordance with the directions, if any, given in the Proxy.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholders will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by Management at the Meeting.**

##### Voting Shares by Proxy

Registered shareholders at the close of business on August 9, 2019 may vote their proxies as follows:

*Internet voting:* Go to the website indicated on the Proxy (<http://www.voteproxyonline.com>) and follow the instructions on the screen. To appoint a proxyholder, other than Management Proxyholders, to represent you at the Meeting, inserting such person’s name in the blank space provided on the online Proxy. Then complete your voting instructions and submit the form. The time and date submitted will automatically be recorded.

*Voting by mail or fax:* Complete the Proxy in a legible manner. To appoint a proxyholder, other than the Management Proxyholders, to represent you at the Meeting, insert such person’s name in the blank space provided in the Proxy. Complete your voting instructions by checking the appropriate boxes on the Proxy, date and sign the form. You may either send the completed Proxy to TSX Trust by mail or by fax. Do **not** send by both methods. The address is Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1 and the fax number is 416-595-9593.

##### Deadline for Receipt of Proxies

The deadline for receiving duly completed and executed forms of proxy or submitting a proxy by fax or over the Internet is 10:00 a.m. (EDT) on September 18, 2019, or no later than 48 hours (excluding Saturdays, Sundays and

holidays) before the time of any adjourned or postponed Meeting. A registered shareholder attending the Meeting has the right to vote in person, but he or she must, before the start of the Meeting, register with the Scrutineer of the Meeting. If he/she had previously submitted a Proxy, he/she must specifically request that his proxy be nullified with respect to the matters and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment or postponement thereof, thereby permitting him or her to vote in person. Notwithstanding the foregoing, the Chair of the Meeting has the sole discretion to accept proxies received after such deadline but is under no obligation to do so.

### **Revocation of Proxies**

A proxy submitted pursuant to this solicitation may be revoked in any manner permitted by law and by written notice, signed by the shareholder or by the shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney), and deposited with the Company's transfer agent, TSX Trust Company, Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used.

A proxy submitted pursuant to this solicitation may also be revoked prior to the commencement of voting by attending the Meeting in person and registering with the scrutineer as a registered shareholder personally present and requesting to nullify his proxy to allow him to vote in person.

A revocation of proxy does not affect any matter on which a vote has been taken before the revocation.

### **Exercise of Discretion by Proxies**

The persons named in the enclosed Proxy will vote the Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, the relevant Shares will be voted in favour of the passing of all the resolutions described below.

The enclosed Proxy confers discretionary authority on the persons named in the Proxy with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Circular, Management knows of no such amendments, variations or other matters to come before the Meeting. However, if amendments or variations to any other matters which are not now known to Management should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the named proxyholder.

### **VOTING PROCESS – NON-REGISTERED SHAREHOLDERS**

Only registered shareholders of the Company or the persons they appoint as their proxyholders are permitted to vote at the Meeting. Many shareholders of the Company are referred to as "non-registered" shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting Shares for their clients. Therefore, Non-Registered Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person or that the Shares are duly registered in their name.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Non-Registered Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own forms and voting instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Shares are voted at the Meeting. Shares beneficially owned by a Non-Registered Shareholder are registered either:

- i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Shares of the Company (Intermediaries include, amongst others, banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSFs, RRIFs, RESPs and similar plans); or
- ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. in Canada or The Depository Trust & Clearing Corporation in the United States) of which the Intermediary is a participant.

Unless you have previously informed your Intermediary/broker that you do not wish to receive material relating to the Meeting, you should have received a Proxy or a VIF. In either case you have the right to exercise voting rights attached to the Company's Shares beneficially owned by you, including the right to attend and vote the Shares directly at the Meeting, assuming that you follow the instructions contained in the said Proxy or VIF.

The documents that you receive and from whom you receive them will vary depending upon whether you are a "non-objecting beneficial owner" ("**NOBO**") residing in Canada, which means you have provided instructions to



your Intermediary that you do not object to the disclosure of the beneficial ownership information about you to the Company, or an "objecting beneficial owner" ("**OBO**") residing in Canada, which means that you have objected to the disclosure of such beneficial ownership information about you to the Company, or a non-registered shareholder residing outside of Canada (the "**Other Non-Registered Shareholders**").

### **NOBO Shareholders**

TSX Trust is handling the mailing to NOBO's in addition to mailing to the Registered Shareholders. All NOBO Shareholders of the Company will receive a VIF from TSX Trust.

If you are a NOBO shareholder of the Company, and TSX Trust has sent a VIF directly to you, your name and address and information about your holdings of Shares of the Company have been obtained in accordance with applicable securities regulatory requirements from the intermediary/broker holding Shares on your behalf. By choosing to send the VIF to you directly, the Company has assumed responsibility for (i) delivering the VIF to you, and (ii) executing your proper voting instructions.

Therefore, a NOBO Shareholder of the Company can vote the Shares represented by his or her VIF in a similar manner as registered shareholders. The process to vote a VIF or to appoint a proxyholder are the same as that described under "*Voting Process – Registered Shareholders*", except that:

- the form received by the shareholder is a VIF instead of a Proxy; and
- a NOBO Shareholder cannot attend the Meeting to vote in person unless, at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting, the NOBO Shareholder appoints himself or herself as a proxyholder according to the instructions provided on the VIF and registers with the scrutineer upon arriving at the Meeting.

### **OBO Shareholders**

In accordance with applicable securities law requirements, the Company will upon request distribute copies of the Proxy Materials to the clearing agencies and intermediaries for distribution to OBO Shareholders and to the Other Non-Registered Shareholders. Intermediaries are required to forward the Proxy Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Proxy Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Proxy Materials will either:

- i) be given a VIF which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. Typically, this VIF will consist of a one-page pre-printed form; or
- ii) be given a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the OBO shareholder, but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the Proxy, the signature of the OBO shareholder is not required when submitting the Proxy.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares of the Company that they beneficially own. Since only registered shareholders and their proxyholders may attend and vote at the Meeting, if a Non-Registered Shareholder attends the Meeting, the Company will have no record of the Non-Registered Shareholder's shareholding or of his/her or its entitlement to vote unless the Non-Registered Shareholder's nominee has appointed the Non-Registered Shareholder as proxyholder. Therefore, a Non-Registered Shareholder who receives one of the above forms and wishes to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should insert the Non-Registered Shareholder's name or such other person's name in the blank space provided, and depending on the design of the VIF, may need to strike out the names of the Management Proxyholders listed therein. The voting instructions given to the Non-Registered Shareholder may provide for voting by telephone, on the Internet, by mail or by fax. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or VIF is to be delivered.

A Non-Registered Shareholder who has submitted a Proxy may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's Shares are held and by following the instructions of the Intermediary respecting the revocation of proxies. This procedure should be initiated sufficiently in advance of the Meeting to ensure there is sufficient time to implement your instructions.

In all cases it is important that the Proxy or VIF be received by the Intermediary or its agent sufficiently in advance of the deadline set forth in the Notice of Meeting to enable the Intermediary or its agent to provide voting instructions on your behalf before the deadline.

Failing to follow the proper voting instructions described in the VIF may invalidate your vote and/or not allow you attend and vote in person at the Meeting.

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue unlimited Shares without par value, of which 288,363,552 shares are issued and outstanding as at August 6, 2019. The Company has fixed the close of business on August 9, 2019 as the record date (the “**Record Date**”) for the purpose of determining shareholders entitled to receive notice of and vote at the Meeting. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Company has prepared a list of shareholders on the Record Date. Each shareholder is entitled to one vote for each share held in respect to each matter to be voted at the Meeting. Only shareholders of record on the Record Date are entitled to vote at the Meeting.

To the knowledge of the directors and officers of the Company, no person beneficially owns, directly or indirectly, or controls or directs shares carrying 10% or more of the voting rights attached to all shares of the Company.

#### **INDEBTEDNESS TO COMPANY OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

As at the date hereof, there is no indebtedness of any current or former director, executive officer or employee of the Company or any subsidiaries which is owing to the Company or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of Management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries, except for stock option grants.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. PRESENTATION OF THE COMPANY'S FINANCIALS AND REPORT OF THE AUDITORS

The audited consolidated financial statements of the Company for the financial year ended December 31, 2018 together with the Auditor's Report thereon as well as the unaudited interim financial statements for the three and six months ended June 30, 2019 shall be presented to the Meeting.

### 2. SPECIAL MATTER TO APPROVE THE SALE OF POET'S DENSELIGHT SUBSIDIARY

#### Background

Since its origin as a semiconductor device design and development company, marked by the change of its corporate name from OPEL Solar to POET Technologies in 2013, the Company's mission has been to push the frontiers of integration in photonics in order to develop devices and sub-systems that could fuel the Company's market penetration and rapid growth. In mid-2016 the Company acquired DenseLight Semiconductors Pte. Ltd. ("**DenseLight**"), based in Singapore, in order to enable the focused development of InP-based light emitting diodes (LEDs) and semiconductor lasers suitable for the datacom and telecom markets. At the same time, POET acquired intellectual property ("IP") from BB Photonics that would later prove to be invaluable in achieving its mission to develop differentiating products with disruptive potential. From a unique combination of fabrication, materials and integration know-how emerged a vision to achieve levels of integration not seen previously in the photonics industry, embodied in the POET Optical Interposer, a unique approach to photonics device integration which has been the focus of the Company's development efforts since 2017.

The POET Optical Interposer incorporates novel dielectric 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. This "photonics in a package" 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 promises to provide a flexible and scalable platform for a variety of photonics applications ranging from data centers to consumer products.

These development efforts required substantial investment in projects conducted at DenseLight geared at designing InP-based devices that could be incorporated into the POET Optical Interposer platform. At the same time, investment capital was devoted to the development and refinement of passive waveguide designs in Ottawa, the elaboration of processes and materials that form the base of the Optical Interposer in the U.K., the transfer and further development of process technology to the Company's manufacturing partner based in Malaysia, and the design and implementation of advanced packaging techniques in Singapore, Malaysia and in Thailand. Additional investment went to upgrading the InP device manufacturing lines and infrastructure, to maintaining the equipment and facilities, and expanding and upgrading the workforce at DenseLight. As part of its strategy to achieve a breakthrough product, the Company intentionally devoted more engineering and device fabrication resources to development than it did to increasing revenue in DenseLight's legacy sensing products, and as a result, DenseLight has been a loss-making operation, requiring substantial amounts of investment for both capital equipment and operating expenses beyond what its own sales can support.

In January 2019, the Company was approached by China Prosper Group, an investment management and advisory company, expressing a strong interest on behalf of its investor clients in purchasing the DenseLight fabrication facility in Singapore. The Company took this offer seriously for several reasons, including the potential investors' financial strength, their interest in investing in both R&D and high-volume manufacturing capacity for InP-based devices, and the Company's desire to invest more of its limited resources in Optical Interposer-based solutions versus supporting the continuous need for capital expenses typical of any semiconductor manufacturing operation. China Prosper Group also expressed the intention of its group of investors, which eventually organized into the Consortium, to support DenseLight's losses until it achieved and exceeded cash break-even operations.

In response to this inquiry, the Company's board of directors ("**Board**") and Management engaged in a review of the status of the development programs and the areas in which it would need to invest capital and human resources in the coming months and years. As a result of this review, Management and the Board concluded that there were significant benefits to the Company and its shareholders if it would adopt a "fab-light"<sup>1</sup> strategy, which is a common business

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<sup>1</sup> "Fab-light" does not mean "fab-less", as significant portions of the Company's Intellectual Property are embedded in the processes that have been developed that are themselves integral to the equipment and functioning of the Optical Interposer. By purchasing its

model in the semiconductor industry. Such a strategy would allow 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 at DenseLight, enabling a faster path to profitability. Importantly, the review of the development programs concluded that sufficient fundamental work in the development of InP-based devices designed specifically for the Optical Interposer had been completed. Additional development work that might be needed could continue and be completed under contract with DenseLight or others, without the need to own the facility. On February 3, 2019, the Company signed a non-binding Letter of Intent (LOI) for the sale of the capital stock of the DenseLight subsidiary.

Upon conducting its own due diligence, the Board and Management also considered the potential benefit of having prominent companies in the compound semiconductor industry and successful entrepreneurs as a strategic partners in China. Particularly with respect to entering the market in China with the POET Optical Interposer, the Company considered the importance of pre-existing relationships in the China photonics market represented by members of the Consortium. Their deep knowledge of the photonics markets and successful track records of both companies and individuals would be invaluable in promoting the POET Optical Interposer in China. In addition, at a working level, as DenseLight expands its sales and marketing operations into China, it has agreed to refer leads to POET. The Company views an ongoing and future relationship with DenseLight and its new owners as a major benefit of this Transaction and an outstanding opportunity for the Company at its current stage of development.

Since February, the Company has engaged with China Prosper Group, along with third-party accountants and attorneys engaged in detailed due diligence exercises, attorneys for both parties conducting negotiations on the specific terms of the definitive documentation in respect of the transaction, and in detailed planning exercises. In addition, the Company has worked out the basic terms of a supply agreement with DenseLight for custom InP-based devices for the Optical Interposer, as well as a strategic cooperation agreement intended to keep all parties' mutual objectives for the growth of both companies in concert following the divestment and over the longer term.

#### **Information about the Buyer**

The buyer of DenseLight is **DenseLight Semiconductor Technology (Shanghai) Co. Ltd.** ("DL-Shanghai"), a special purpose company recently organized by China Prosper Group on behalf of a group of investors. DL-Shanghai was established to acquire the capital stock of DenseLight Semiconductors Pte. Ltd. from POET Technologies for a total consideration of US\$28 million, which includes US\$2 million which will be paid to Oak Capital Investment Company, Ltd., an affiliate of China Prosper Group, for due diligence and other services rendered to DL-Shanghai. The lead shareholders in DL-Shanghai are expected to be Dynax Semiconductors (Suzhou Nengxun High Energy Semiconductor Co.), one of Dynax's major shareholders, the Suzhou Xiang Cheng District Investment Fund and a leading developer and manufacturer of Gallium Arsenide-based fiber lasers and optical passive devices for high powered lasers. Other shareholders include established funds and entrepreneurs in the technology and communications industry in China. Dynax is China's leading developer of Gallium Nitride-based electronic devices for RF microwave and industrial control in 5G mobile communication and broadband communication..

Although having deep relationships in the compound semiconductor, laser, data and telecommunications, and data center markets, none of the companies or individuals investing in DL-Shanghai have a material interest in any competitor of DenseLight or the Company.

#### **Risks Related to the Completion of the Transaction**

In addition to the information contained in this Circular, shareholders should give careful consideration to the following risk factors prior to voting on the matters being put before them at the Meeting. Any of the matters highlighted in these risk factors could adversely affect our business and financial condition, causing a shareholder to lose all, or part of, its, his or her investment. The risks and uncertainties described below are those relating to the Transaction which we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of our securities could be materially and adversely affected. In addition, a discussion of the risks affecting the Company and our business appears under the heading "Risk Factors" in the Annual Information Form (AIF) and "Key Business Risks and Uncertainties" in the MD&A.

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own equipment and placing the equipment in a foundry, for example, the Company is able to preserve confidentiality and ownership of critical IP. As a result, even with a "fab-light" strategy, the Company expects to continue to invest in capital equipment, however, not at the same level as owning and supporting an entire InP wafer fabrication facility.

***We have signed definitive agreements for the Transaction that have been approved by both Parties. However, the closing of the Share Sale Agreement is subject to the Company obtaining shareholder approval, which we cannot guarantee. Further, the closing of the transaction will not occur for at least sixty to seventy-five days following the signing, during which the Share Sale Agreement will be subject to termination based on Force Majeure and both Parties meeting other closing conditions. If we do not close the Transaction, or the closing is significantly delayed, we may not have sufficient cash to continue operations for a period of time that would allow us to find an alternative Buyer.***

At the present time we have signed a definitive Share Sale Agreement that is acceptable to all Parties and is subject only to approval by the Company's shareholders. We cannot guarantee that the shareholders of the Company will approve the transaction. Further, the Transaction will not close for a period of sixty to seventy-five days following the signing on August 20, 2019, due primarily to the Buyer needing time to remit RMB currency for conversion to US dollars to be exported from the Country, during which time the Share Sale Agreement will be subject to delay or termination based on Force Majeure or either party not meeting closing conditions. While the Company expects that both Parties can meet the closing conditions, we cannot foresee an event or combination of Force Majeure events, such as terrorism, civil disturbance, natural catastrophe, restraint by a court or order by a government authority, that could significantly delay or prevent the closing.

The Company has secured financing in the form of convertible debentures and bridge debt that should allow us to continue operations at our current levels until the target date of the Closing. If the closing date is significantly delayed, and we have not raised sufficient funds to account for such delay, we may not have or be able to raise the additional funds required to allow us to continue operations at current levels or at all. If the transaction is terminated for any reason, much of the debt that we have secured will have to be repaid. If we are unable to find an alternative purchaser willing to offer the same or similar consideration within the same schedule as the current Buyer, we may not be able to continue operations at current levels or at all. We cannot assure you that we will be able to refinance our debt or find new sources of debt or equity that would allow us to repay the debt that is immediately due, continue operations until an alternative Buyer is found, or to sustain operations at a level that requires less capital, or at all.

***We have agreed to divest our major operating asset, have adopted a new "fab-light" strategy, and plan to focus on the Optical Interposer as our main business, any or all of which 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 proposed sale of our DenseLight business located in Singapore and 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, some 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 not yet fully developed and which no customer has yet adopted in a production product.

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

### **Questions and Answers Concerning the Transaction**

*The following are some, but not all, of the questions that you, as a Shareholder, may have in respect of the Share Sale Transaction, along with some of the answers to those questions. These questions and answers are provided for convenience only and should be read only in conjunction with this Circular.*

#### ***What am I voting on in respect of the Transaction?***

Shareholders are voting on the proposal for the Company to sell its major operating subsidiary, DenseLight Semiconductors Pte. Ltd., which the Company has owned and operated since mid-2016. The proposed transaction is a sale of 100% the capital stock of the subsidiary to DenseLight Semiconductor Technology (Shanghai) Co. Ltd., a private company recently established specifically to acquire the capital stock of DenseLight Semiconductors Pte. Ltd. from POET Technologies. When purchasing the capital stock, the Buyer is agreeing to take over all of the assets,

liabilities and employees of the DenseLight subsidiary. As part of the sale, the Company will also enter into a supply agreement with DenseLight and a strategic cooperation agreement that will assist in the Company's expansion. As consideration for the sale transaction, that the Company will receive US\$26 million in cash at the time of the closing and have an opportunity to earn an additional US\$4 million tied to DenseLight's 2019 revenue.

***What level of Shareholder support is required to approve the Transaction?***

The Share Sale Transaction Approval Resolutions must be approved by at least a majority of the votes cast in person or by proxy at the Annual and Special Meeting (the "**Meeting**") of shareholders described in this Circular.

***Why should I vote in favour of the Transaction?***

The Company believes that the Transaction is in the best interests of both the Company and its shareholders for the following reasons: (a) the Transaction will provide much needed capital to complete the development of its Optical Interposer platform; (b) it will enable the Company to adopt a "fab-light" strategy that will require less capital investment than its current operation; and (c) as a "design and development" company, POET will focus its available resources exclusively on Optical Interposer-based applications, allowing it to grow revenues more rapidly and expand its business globally.

***What happens if the Transaction is not approved by Shareholders?***

If shareholders do not approve the Transaction, the Transaction will not be completed. If the shareholder vote is the sole reason for not completing the Transaction, the Company will owe approximately US\$400,000 to the Buyer for its third-party due diligence expenses. In addition, the Company will be required to repay within 60 days to Espresso Capital approximately US\$3.5 million (including principal and accrued interest) borrowed under its credit facility. In this circumstance the Company may eventually be liable for the repayment of approximately US\$3.8 million to holders of the Company's Convertible Debentures. If the Company cannot restructure this debt, then the Company will have to find additional financing to repay the debt and continue operations until a new Buyer can be found for DenseLight. Although the Company would continue to evaluate all potential sources of additional capital, it ultimately may have to resort to a dilutive equity financing for capital, the success of which would likely be highly dependent on a lower stock price.

***What does the Board think of the Transaction?***

All of the members of the Board support the Transaction and those who are holders of common stock have advised that they will vote in favor of the Share Sale Transaction Approval Resolutions.

***When does the Company expect the Transaction will close?***

If approved by the Shareholders at the Meeting and the other closing conditions of the Transaction are satisfied, it is anticipated that the Transaction will close on or before October 31, 2019.

***What approvals are required for the Transaction?***

In addition to the approval sought at the Meeting from shareholders, the Closing of the Transaction is subject to certain other conditions precedent customary for a transaction of this nature, as well as the approval of the TSX Venture Exchange. Except for a routine notice to the Accounting and Corporate Regulatory Authority (ACRA) in Singapore, the proposed Transaction falls below the thresholds requiring notification or mandatory review by any Canadian, U.S. or Singaporean regulatory body.

***What will the impact of the Transaction be on the Company?***

The immediate impact of the Transaction will be to restore the Company's cash balance to a healthy level. The Company expects to repay any bridge financing that it has received and certain other outstanding indebtedness. Further, the Company anticipates expanding POET's design operations in Ottawa and elsewhere, expanding its newly formed operating unit in Singapore to manage its suppliers and sub-contractors in the region, and prepare for fulfilling production orders from customers that it anticipates receiving in the period following the sale transaction.

***Is the Company's Optical Interposer Intellectual Property part of the sale?***

No, POET's Optical Interposer product and technology are expressly carved-out by agreement between the parties. The Share Sale Agreement does not confer or transfer to the Buyers or to DenseLight any interest in the IP rights associated with the Optical Interposer.

### ***What if I have other questions?***

If you have other questions or need assistance with the completion and delivery of your proxy, you may contact TSX Trust.

### **Key Terms of the Share Sale Agreement**

*The following is a summary of the Share Sale Agreement. The summary is subject to, and qualified in its entirety by reference to the form of the definitive Share Sale Agreement, a copy of which is available on SEDAR ([www.sedar.com](http://www.sedar.com)). In addition to the following, the Share Sale Agreement includes customary representations, warranties, covenants, indemnities and other terms of the Company and Buyer customary for a transaction of this nature.*

#### **Sale and Purchase**

On the terms of the Share Sale Agreement and subject to certain conditions, the Company shall sell and the Buyer shall purchase from the Company all of the capital stock of DenseLight Semiconductor Pte. Ltd. (the "Sale Shares"), together with all rights that attach (or may in the future attach) to such Sale Shares.

#### **Purchase Price and Consideration Paid to Oak Capital Investment Company, Ltd.**

The price to be paid by the Buyer to the Company on the Closing Date for the Sale Shares (the "Purchase Price") is US\$28 million, including US\$2 million paid to the Company that will be paid out concurrently to Oak Capital Investment Company, Ltd. ("Oak Capital") for services provided to Buyer in connection with the Transaction. Oak Capital is an affiliate of China Prosper Group.

#### **Earn-Out Payment**

A further US\$4 million ("Earn-Out Payment") will be paid by Buyer to the Company, if DenseLight achieves revenues of US\$9 million or more within the period commencing on January 1, 2019 and expiring on December 31, 2019, and achieves a Gross Margin within five (5) percentage points of the prior year's Gross Margin.

#### **Closing Date and Closing**

Closing is expected on or before October 31, 2019, or such other date mutually agreed by the parties (the "**Closing Date**"). At Closing, the Company shall: (i) transfer the Sale Shares in such form as is necessary for Buyer to acquire legal ownership of the Sale Shares in accordance with the laws of Singapore; and (ii) deliver (or cause to be delivered) all other documents required to be delivered by the Company.

At Closing, Buyer shall: (i) pay the Purchase Price by transfer of funds for same day value and (ii) deliver (or cause to be delivered) all other documents required to be delivered by Buyer at Closing.

#### **Covenants made by the Company**

The Share Sale Agreement contains customary covenants made by the Company relating to: (i) its right to sell the Sale Shares; (ii) that it will do all it can to give Buyer the full legal and beneficial title to the Sale Shares; (iii) the Sale Shares are free from all encumbrances; (iv) it has no right to require DenseLight to issue any share capital or create any encumbrance on unissued securities; (v) no commitment has been made to create an encumbrance affecting the Sale Shares; and (vi) the execution, delivery and performance by it of the Share Sale Agreement does not require the approval or consent of, or any filing with, any governmental authority or agency in Singapore other than the lodgment of the share transfer with ACRA and e-stamping of the share transfers with IRAS.

#### **Ancillary Agreements**

Buyer has also agreed that DenseLight shall enter into a Preferred Supply Agreement and a Strategic Cooperation Agreement with the Company at Closing.

The **Preferred Supply Agreement** contains certain terms, including: (i) that DenseLight shall exert commercially reasonable efforts to reserve and dedicate capacity to meet and satisfy the Company's commercial volume product sales demand for a period of two years from the Closing Date; (ii) that the Company shall provide DenseLight with annual customer demand forecasts, reviewed and updated quarterly; (iii) that if DenseLight is unable to meet the Company's supply demands, DenseLight will provide notice of not less than six months; (iv) that the Company and DenseLight will agree on quality metrics for products sold by DenseLight to the Company and set those out in the

Preferred Supply Agreement; and (v) that DenseLight shall provide the Company with certain epitaxial wafer processing services at commercially reasonable terms for the Company's consigned epitaxial wafers, provided that the services and output is not competitive to or in conflict with the DenseLight's products and core business; and (vi) that any devices based on the Company's consigned epitaxial wafers would be for the sole use by the Company and cannot be marketed or sold by DenseLight; and (vii) that DenseLight will quote a preferential cost-plus fixed price for commercial volume component sales to the Company for one year after the Closing Date, and on commercially reasonable terms thereafter.

The **Strategic Cooperation Agreement** between the Company and DenseLight contains certain terms, including: (i) upon request by the Company and subject to mutual agreement on the terms, DenseLight shall be a distributor for the Company and for certain of the Company's products to companies based in the People's Republic of China; (ii) DenseLight will continue work on certain identified development projects without cost to the Company until their natural completion, or until end June 2020, whichever occurs sooner, with ownership over such developments to be jointly owned; (iii) that DenseLight will offer certain test services to the Company at a cost-plus basis, subject to capacity availability, for one year after the Closing Date; (iv) the Company may provide Optical Interposer solutions to DenseLight for the sensing market after the closing, subject to a cost-plus fee at reasonable commercial terms; and (v) that Buyer will offer Suresh Venkatesan via the Company an advisor consultancy position on terms to be mutually agreed for an initial period of one year from the Closing Date (subject to extension upon mutual agreement).

#### Reimbursement for Certain Capital Expenses

Buyer will agree to reimburse the Company up to a limit of USD2.4 million for payments made by the Company for certain capital equipment, related specialized installation of such capital equipment and capital improvements, from February 3, 2019 to the Closing Date ("Capital Equipment, Installation and Improvement Fees"). Buyer undertakes to (or shall direct DenseLight) to reimburse the Company in regular equal monthly payments to the Company, such that the entire sum shall be fully repaid by the December 1, 2020. Any sum due to or claimed by the Company in respect of this reimbursement may be set off by the Company against any sum payable by it to DenseLight and vice versa.

#### Limitations on Claims

The liability of the Company in relation to any breach of the Agreement, including any breach of the terms, conditions, warranties, representations, covenants and any indemnities is capped at US\$13 million, being 50% of the Purchase Price, net of the payment to Oak Capital. Liability for a claim that arises or is delayed as a result of fraud, willful misconduct or willful concealment by the Company, or a claim made in connection with any Fundamental Warranty is limited to the Consideration received by the Company. The aggregate of valid claims made against the Company must exceed US\$250,000, and the Company is liable only for the excess above US\$250,000. Claims for capital equipment must exceed US\$250,000 in each instance before being considered. The Company is not liable for any Claim to the extent that the Claim: (a) relates to matters disclosed; or (b) relates to any matter specifically and fully provided for in the accounts.

The Company is not liable for a claim unless Buyer has given a representative of the Company notice in writing of the claim, summarizing the nature of the claim as far as it is known to Buyer and the amount claimed, within: (a) in the case of a claim made in connection with certain fundamental representations and warranties: the period of five (5) years, beginning with the Closing Date; (b) in the case of a claim under the tax warranties, the period of five (5) years beginning with the Closing Date; and in all other cases, the period of eighteen (18) months beginning with the Closing Date.

#### Fair Restraints

Buyer covenants that it shall not (and shall procure that DenseLight and any member of DenseLight's Group shall not) be engage in a Restricted Business, meaning the marketing or selling of solutions: (a) containing a combination of spot-sized converter with flip-chip Indium Phosphate (InP) laser attached; and (b) customised for silicon photonics applications, to a "restricted customer", defined as a corporate entity (c) registered in the United States of America and (d) with its principal executive office being based in the United States of America, but excluding (x) a PRC branch of such a corporate entity, and (y) any PRC originated entity (and its group members) no matter where it is registered or where its principal executive office is located.

#### Optical Interposer Product Carve-Out

The Company's Optical Interposer technology is expressly not the subject of the Transaction. The Company reserves all its rights (including all Intellectual Property Rights) to its Optical Interposer technology and nothing in the Share Sale Agreement transfers any ownership interest therein or the rights thereto to the Buyer or DenseLight.



In addition, any “restricted customer” who is at Closing, or who has been at any time during the period of two (2) years immediately preceding the Closing Date, a client or customer of, or in the habit of dealing with, Denselight or the Company in respect of the Optical Interposer technology, shall be insofar as between the Company, the Buyer and Denselight, the sole customer of the Company for the Optical Interposer technology.

#### Costs

Each party pays its own costs and expenses incurred in connection with the Transaction, including the negotiation, preparation and execution of the Share Sale Agreement (and any documents referred to in it), except: (a) if Closing does not take place by October 31, 2019 for any reason whatsoever, Buyer shall pay the fees of the relevant third party consultants appointed by itself; (b) if Closing does not take place by October 31, 2019 solely due to the Company being unable to obtain the shareholder approval, the Company shall pay the fees of the relevant third party consultants appointed by itself and reimburse Buyer for the fees and expenses incurred by Buyer and paid to its consultants; and (c) if Closing takes place by October 31, 2019, the Transaction's due diligence costs only shall be paid for by the financial advisors to the Transaction, Oak Capital Investment Company, Ltd. and its parent company China Prosper Group.

#### Governing Law and Jurisdiction

The Share Sale Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) are governed by and construed in accordance with the laws of the PRC. All disputes, disagreements, controversies or claims arising out of or in connection with the Agreement in any manner whatsoever, whether direct or indirect, including without limitation respecting its formation, execution, validity, application, interpretation, performance, breach, termination, enforcement and the damages and/or other remedies resulting from breach, non-performance or non-compliance with the Agreement shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre (“HKIAC”) under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted. None of the arbitrators appointed under the authority of the Agreement shall be a citizen or national of any of the Parties to this Agreement. The arbitration shall take place in Hong Kong, or such other place as may be agreed to by the Parties. The arbitration shall be conducted in the English language.

#### Force Majeure

**"Event of Force Majeure"** means, in relation to a party, any event or circumstance, or combination of events or circumstances, (a) that is beyond the reasonable control of that Party; (b) that substantially prevents or delays such Party from fulfilling its obligations under the Share Sale Agreement; and (c) the effects of which could not have been foreseen and prevented, overcome, remedied or mitigated in whole or in part by that party through the exercise of diligence and reasonable care, including but not limited to acts of God; acts of civil or military authority; sabotage; terrorism, war, pandemic or other government action; civil disturbance or riot; strike; national emergency; flood, earthquake, fire or other natural catastrophe; restraint by court order or public or governmental authority (so long as the affected party has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such restraint); Provided however, that the lack, insufficiency or non-availability of funds shall not constitute an Event of Force Majeure.

Either party shall be excused from any delay or failure in performance required hereunder if caused by reason of any Event of Force Majeure. The obligations and rights of the party so excused shall be extended on a day-to-day basis for the time period equal to the period of such excusable interruption. The party affected by Force Majeure may suspend the performance of its obligations under the Share Sale Agreement until any disruption resulting from the Event of Force Majeure has been resolved. However, such party shall make every effort to eliminate any obstacles resulting from the Force Majeure, thereby minimizing to the greatest extent possible its adverse effects, as well as any resulting losses.

If an Event of Force Majeure continues for more than 60 days, then the parties shall consult in good faith with each other to agree on what action should be taken with respect to the Transaction. If such reason or contingency continues for another 180 days, then the parties may mutually agree in writing to terminate the Share Sale Agreement and on the consequences of such termination.

#### Closing Conditions

The obligations of Buyer to effect the Transaction under the Share Sale Agreement are subject to the satisfaction at or prior to the Closing of each of the following conditions (any of which may be waived, in writing, exclusively by

Buyer) having received the following: (a) shareholder and board approval of DenseLight and resignation of current DenseLight directors; (b) approval of Buyer's shareholders; (c) all the approvals or filings as required under the laws and regulations of the PRC for the purpose of the Transaction; (d) certification from the Company that any changes in DenseLight's net working capital from February 3, 2019 to the Closing shall have arisen only from operations in the normal course of business; (e) all the documents and items as set out in the closing agenda in the agreed form from the Company; (g) written consent or waiver by or on behalf of JTC, DenseLight's landlord; (h) written employment agreements with certain "specified" employees of DenseLight; (i) evidence that the outstanding intercompany loan between the Company and DenseLight has been capitalized into DenseLight shares; (j) satisfaction that the Company's warranties are true and accurate and that the Company has complied with the undertakings in the Agreement; (k) there having been no Material Adverse Change as defined in the Agreement; (l) no decree, determination, injunction, judgment or other order entered or issued by any court or governmental authority which would prohibit the transaction; and (m) the Company and DenseLight having entered into a mutually satisfactory Intellectual Property Rights agreement.

The obligations of the Company to effect the Transaction under the Share Sale Agreement are subject to the satisfaction at or prior to the Closing of each of the following conditions (any of which may be waived, in writing, exclusively by the Company): (a) the shareholders of the Company having approved the Transaction and such approval remaining in full force and effect as at Closing; (b) the Company having received from Buyer all the documents and information as set out in the closing agenda in agreed form, including a duly completed and executed instruments of share transfer of the Sale Shares to Buyer, signed by Buyer and undated; (c) the grant and receipt, in terms satisfactory to the Company, of all regulatory approvals, third party consents, authorizations or similar clearances which: (i) are required by TSXV to approve the transactions contemplated for Closing; (ii) are required by any government, or regulatory body or authority, for Closing.

### **Share Sale Transaction Approval Resolutions**

At the Meeting, shareholders will be asked to pass a special resolution in the following form below (the "**Share Sale Transaction Approval Resolutions**").

**Board Recommendation: The board of directors of POET Technologies, after consultation with its legal and financial advisors, unanimously approved the proposed Share Sale Transaction as described in the enclosed management information circular and is unanimously recommending that holders of common shares of POET Technologies Inc. vote FOR the Share Sale Transaction Approval Resolutions.**

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted FOR the approval of the Share Sale Transaction Approval Resolutions.

#### **"BE IT RESOLVED THAT:**

1. POET Technologies Inc. (the "Company") is authorized to complete the Transaction (as described in this Management Information Circular of the Company dated August 20, 2019) with **DenseLight Semiconductor Technology (Shanghai) Co. Ltd** ("Buyer"), consisting of the sale of all of the issued and outstanding shares of the Company's subsidiary, DenseLight Semiconductors Pte. Ltd. ("DenseLight") in accordance with the terms of the definitive Share Sale Agreement (the "Share Sale Agreement") in the form approved by the directors of the Company, with whatever amendments thereto the directors of the Company may approve; and
2. any officer or director of the Company, on behalf of the Company, is authorized to execute and deliver the Share Sale Agreement, including the Ancillary Agreements, and all such amendments or other documents thereto, and to do all such other acts and things as any such director or officer may determine to be necessary or desirable on the advice of counsel, and all such acts taken and all such documents so executed shall be deemed to have been authorized by these resolutions, including seeking the conditional and final approvals of the TSX Venture Exchange (the "TSXV") to the proposed Transaction and the filing of all required documents under applicable policies of the TSXV and corporate and securities laws in Canada and the United States, as may be required.

### 3. ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed Proxy will be voted for the nominees herein listed.

The Company is required to have an audit committee. Members of the audit committee and other committees of the Board of Directors of the Company (the “Board”) are as set out in the table below.

The number of directors of the Company to be elected at the Meeting is seven. Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

<b>Name, Jurisdiction of Residence and Position</b>	<b>Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years</b>	<b>Date First Elected or Appointed as a Director</b>	<b>Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed <sup>(6)</sup></b>
David E. Lazovsky <sup>(2)(3)</sup> Los Gatos, CA, USA	Executive Chairman of the Board of the Company since February 1, 2017; President and Chief Executive Officer of Intermolecular (NASDAQ: IMI) from September 2004 to October 2014.	April 8, 2015	181,000
Jean-Louis Malinge Paris, France	Partner with ARCH Venture Partners, managing director of YADAIS.	September 5, 2017	Nil
Chris Tsiofas <sup>(1)(2)(3)</sup> Toronto, ON, Canada	Partner with Chartered Accountancy firm of Myers Tsiofas Norheim LLP since 1994.	August 21, 2012	25,000 <sup>(4)</sup>
Suresh Venkatesan Los Gatos, CA, U.S.A.	CEO of the Company since June 11, 2015.	June 12, 2015	115,000
Mohandas Warrior <sup>(1)</sup> Palo Alto, CA, U.S.A.	Angel Investor	June 12, 2015	Nil
Don Listwin <sup>(2)</sup> Woodside, CA, U.S.A.	CEO of ISchmaview, Inc.	January 19, 2018	632,250 <sup>(5)</sup>
Peter Dominic Charbonneau <sup>(1)(3)</sup> Ottawa, ON, Canada	Independent Director	March 27, 2018	Nil

**NOTES:**

- (1) Current Member of the Audit Committee.
- (2) Current Member of Compensation Committee.
- (3) Current Member of Corporate Governance and Nominating Committee.
- (4) Mr. Tsiofas beneficially owned 25,000 common shares under RRSP.
- (5) These shares are held by The Donald J. Listwin Trust.
- (6) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at May 10, 2018, based upon information filed on SEDI by the individual directors or furnished to the Company by them. Unless otherwise indicated, such shares are held directly.

The following briefly describes the qualification and experience of the nominees to the Board:

**David E. Lazovsky** – Mr. Lazovsky is the founder of Intermolecular, Inc. (NASDAQ: IMI) and served as the company's President and Chief Executive Officer and as a member of the Board of Directors from September 2004 to October 2014. Mr. Lazovsky has an in-depth knowledge of the semiconductor industry, technology and markets. Prior to founding Intermolecular, Mr. Lazovsky held several senior management positions at Applied Materials Inc. (NASDAQ: AMAT). From 1996 through August 2004, Mr. Lazovsky held management positions in the Metal Deposition and Thin Films Product Business Group where he was responsible for managing more than \$1 billion in Applied Materials' semiconductor manufacturing equipment business. Mr. Lazovsky holds a B.S. in mechanical engineering from Ohio University and, as of March 31, 2014, held 41 pending or issued U.S. patents.

**Jean-Louis Malinge** - Mr. Jean-Louis Malinge serves as partner with ARCH Venture Partners, an early-stage venture capital firm with nearly \$2 billion under management. Additionally, he also serves as a managing director for YADAIS, a leading consulting firm in the photonics and telecommunications industries, and is a board member of EGIDE SA and CAILabs. EGIDE SA designs, manufactures and sells hermetic packages for the protection and interconnection of several types of electronic and photonic chips and CAILabs is a venture-backed French innovative start-up founded in 2013 which has developed a unique spatial multiplexing platform. 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.

**Chris Tsiofas** – Mr. Tsiofas is a Chartered Accountant (CA) and a Chartered Professional Accountant (CPA). He earned a Bachelor of Commerce Degree from the University of Toronto in 1991 and has been a member of the Institute of Chartered Accountants of Ontario since 1993. He has been on the Board of Directors since August 2012. He is a partner with the Toronto Chartered Professional Accountancy firm of Myers Tsiofas Norheim LLP, a position he has held since 1994.

**Dr. Suresh Venkatesan** – Prior to joining POET in 2015, Dr. Venkatesan was the Senior Vice-President and Chief Technology Officer at GLOBALFOUNDRIES, responsible for the development and qualification of all technologies of this world's second largest semiconductor fabrication company. Dr. Venkatesan joined GLOBALFOUNDRIES as the VP of Technology and Integration, from Freescale. At Freescale and Motorola, he had a combined 20+ years of semiconductor business experience. He holds over 50 U.S. patents, has co-authored over 50 technical papers and has received numerous technical awards and prestigious positions, including induction into the Scientific Advisory Board Associates (SABA) of Motorola, nomination as a Freescale Fellow, and Outstanding Alumni award from Purdue University's Electrical Engineering department. Dr. Venkatesan received his Bachelor of Technology in Electrical Engineering (BTech, EE) degree from the Indian Institute of Technology in 1987 and his Master of Science in Electrical Engineering (MSEE) and Doctor of Philosophy (PhD) degrees from Purdue University in 1988 and 1992, respectively.

**Mohandas Warrior** – Mr. Warrior is an Angel Investor investing and advising early stage technology companies in the semiconductor, materials and firmware applications in those domains. Mr. Warrior was the President & CEO of Alfalight, Inc. from February 2004 to July 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. 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 3,500 employees, in the U.S., Scotland and Korea. Mr. Warrior successfully led the transactions to sell Alfalight's commercial business to Compound Photonics in 2013 and its defense business to Gooch & Housego in 2016.

**Don Listwin** - Mr. Don Listwin has over 35 years of technology investing and management experience, highlighted by a decade at Cisco Systems, where he served as executive vice president. More recently, Listwin served as chief executive officer of Sana Security and Openwave Systems. Currently he serves as CEO at iSchemaView – the worldwide leader in imaging for stroke. 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, D-wave, iSchemaView, Robin Systems and Teradici. Previously, he served on the boards of E-TEK Dynamics JDS Uniphase, PLUMgrid, Redback Networks and Tibco Systems.

**Peter Dominic Charbonneau** - 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. Prior to Skypoint, he held a number of executive and operational roles at various networking companies including March Networks and Newbridge Networks, where he was president and chief operating officer. In 2000, representing Sir Terence Matthews, he facilitated the purchase of the communications business systems division of Mitel Corporation, which has operated as Mitel Networks since the acquisition.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

To the knowledge of the Company, except as noted below, no proposed director:

- (a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer ("CEO") or chief financial officer ("CFO") of any company (including the Company) that:
- (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The following directors of the Company hold directorships in other reporting issuers as set out below:

<i>Name of Director</i>	<i>Name of Other Reporting Issuer</i>
Don Listwin	Calix Inc. (NYSE: CALX)
Jean-Louis Malinge	EGIDE Group: (EURONEXT: GID)

If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

The Board has adopted a policy for majority voting for individual directors (the "**Majority Voting Policy**"). Under the Majority Voting Policy, the Proxy for any shareholders meeting where directors are to be elected will enable each shareholder to vote for, or withhold from voting on, each director nominee (the "**Nominee**" or collectively the "**Nominees**") separately. If votes "for" the election of a Nominee are fewer than the number voted "withheld", the Nominee is expected to submit his or her resignation promptly after the meeting of shareholders for the consideration of the Corporate Governance and Nomination Committee (the "**CGN Committee**"). The CGN Committee will make a recommendation to the Board after reviewing the matter, and the Board will then decide whether to accept or reject the resignation. The Board's decision to accept or reject the resignation will be disclosed to shareholders. The Nominee will not participate in any CGN Committee or Board deliberations as to whether to accept or reject the resignation. The Majority Voting Policy does not apply in circumstances involving contested director elections.

**Board Recommendation:** The board of directors of POET Technologies unanimously recommends that holders of common shares of POET Technologies Inc. vote FOR the re-election of the nominees set out above.

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted FOR the re-election of the nominees set out above.

#### **4. APPOINTMENT OF AUDITORS**

Marcum LLP, Certified Public Accountants, of New Haven, Connecticut, are the auditors of the Company.

At the Meeting, shareholders will be asked to re-appoint Marcum LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

**Board Recommendation:** The board of directors of POET Technologies unanimously recommends that holders of common shares of POET Technologies Inc. vote FOR the - 22 - appointment of Marcum LLP as the Company's auditors and authorizing the directors to fix their remuneration.

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Marcum LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

#### **ADDITIONAL INFORMATION AND DOCUMENTS INCORPORATED BY REFERENCE**

The following documents filed with the securities commissions or similar regulatory authority of the Canadian provinces are specifically incorporated by reference into, and form an integral part of, this Management Information Circular: (i) the financial statements for the year ended December 31, 2018 (ii) the report of the auditors thereon, (iii) the related management's discussion and analysis (MD&A), (iv) the Form 20-F filed on EDGAR and, (v) any other documents referred to herein which are filed including:

- a. Code of Conduct;
- b. Disclosure Policy;
- c. Securities Trading Policy;
- d. CGNC Charter;
- e. Compensation Committee Charter;
- f. Fraud and Embezzlement Policy; and
- g. Whistleblower and Protected Disclosure Policy
- h. Mandate of the Board of Directors (revised May 2019 and appended hereto as Appendix A)

Shareholders may contact the Company at Suite 1107, 120 Eglinton Avenue East, Toronto, Ontario M4P 1E2 to request copies of these documents or download them from the SEDAR website at [www.sedar.com](http://www.sedar.com). Additional information relating to the Company is also available on SEDAR or from the Company's website at [www.poet-technologies.com](http://www.poet-technologies.com).

## EXECUTIVE COMPENSATION

### A) *Compensation Discussion and Analysis*

The purpose of this Compensation Discussion and Analysis (“CD&A”) is to provide information about the Company’s executive compensation objectives and processes and to discuss compensation decisions relating to the Company’s senior officers in 2018.

#### Description and Explanation of Elements of Compensation Program

- (i) The objectives of the Company’s executive compensation program are:
  - to attract, retain and motivate quality executives;
  - to align the interests of executives with those of the Company’s shareholders;
  - to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions;
  - to evaluate executive performance on the basis of targets determined by the Board;
  - to be cognizant of expense management in determination of compensation rewards.
- (ii) The executive compensation program has been designed to reward executives for:
  - the reinforcement of the Company’s business objectives and values;
  - the attainment of key development and financial milestones dependent on the executive; and their individual performance and significant achievements.
- (iii) The executive compensation program consists of the following elements: base salary, variable pay compensation and stock option incentives.
- (iv) 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 a very important element of the variable pay compensation and do not require cash disbursement from the Company. Stock options are also generally awarded to officers and consultants at the time of hire and are used as a recruitment tool to attract highly qualified and experienced executives and consultants to the Company. Stock options are also granted at other times during the year. The Company currently operates at a loss, so the Company uses stock option grants as a means of managing its cash flow. As a result, the Board has to consider 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. Also, the granting of stock options aligns officers’ rewards with an increase in shareholder value over the 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 the value of the shareholders’ investments.
- (v) Determination of the Amount of Each Compensation Program Element - In order to assist the Board 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 officer’s compensation, the Compensation Committee receives input from the Chairman of the Board, and the Chief Executive Officer of the Company. From time to time, the Compensation Committee engages professional compensation consultants to conduct a Peer Group review. In the recent past, Compensia has given guidance to the Compensation Committee with respect to appropriate comparative terms for its incentive stock option plan and a salary review of various positions relative to the Peer Group. The Compensation Committee utilizes the comparative reviews to assist in making appropriate recommendations.

Base Salary - The base salary for officers, is reviewed by the Compensation Committee of the Board, within a reasonable time prior to the expiry of the current employment or consulting agreement, with input and direction being provided by the Chairman of the Board, and the Chief Executive Officer of the Company. The base salary review takes into consideration the current competitive market conditions, experience, proven and/or expected performance, and the particular skills of the officer.

For more information on salaries paid to the executives, refer to the Summary Compensation Table.

Variable Pay Compensation – The Company has no current procedure to assess each officer’s role in adding to the Company’s growth. However, there are occasions when there can be significant officer achievements that further the business potential of the Company or create vital successes to the Company. Therefore, there are times when a discretionary variable pay award may be made to an officer. This type of payment is done after presenting the achievement to the Compensation Committee. If deemed important to the success of POET’s business, the Committee can approve such an ad hoc variable payment. Stock Options are a non-cash component of the Variable Pay Compensation and are discussed below.

Stock Options - The Board, based on recommendations of the Compensation Committee where appropriate, makes the following determinations:

- it selects officers and other persons who are entitled to participate in the Stock Option Plan;
- it determines the number of options granted to such individuals;
- it determines the date on which each option is granted and the corresponding exercise price; and
- it determines the vesting schedule for the stock options granted.

The Board makes these determinations subject to the provisions of the existing Stock Option Plan. For more information refer to the section entitled “*B) Option-Based Awards*”.

- (vi) Each element of the compensation program has been designed to meet one or more objectives of the overall executive compensation plan. The fixed base salary of each officer, combined with the variable pay compensation and stock options, has been designed to provide the total compensation package which the Board believes is reasonably competitive with that provided by other companies in the peer group and others of comparable size engaged in similar business in appropriate regions. In addition, the variable pay compensation has been designed to align the interests of executives with those of the Company’s shareholders and to evaluate financial performance on basis of relevant technical or financial milestones. Option grants are designed to align executives’ and shareholders’ interests and to provide longer term compensation incentives.

#### Review and Approval

The Compensation Committee of the Board is responsible for making recommendations for approval by the Board with respect to remuneration of executives of the Company including the Chief Executive Officer of the Company and senior officers of the Company. All executive compensation components are reviewed by the Compensation Committee as needed and its recommendations are subject to approval of the Board, as appropriate.

#### ***B) Option-Based Awards***

The Company’s stock option plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Compensation Committee and the Board take into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options. With these guidelines, the Board ensures that such new grants are in accordance with the policies of the TSXV, and closely align the interests of the executive officers with the interests of shareholders.

The exercise of options by an Optionee, who is an officer, employee or director of the Company, will generally create an immediate tax liability to the Optionee as follows:

- If the said Optionee resides in Canada, he or she will be deemed, whether or not the shares were sold, to have received an employment income equal to the value of the option exercised and will be required to pay the Company, in addition to the cost of exercise, an amount equal to the tax liability of the deemed employment income, in order for the Company to remit withholding taxes to Canada Revenue Agency following the exercise. Subsequent capital gains or losses will be calculated based on the market price on the day of exercise, but capital losses cannot offset the deemed employment income.
- If the said Optionee resides in the U.S., he or she will be required, for the tax year of the exercise, to pay income tax on the value of the option exercised, equal to the amount of short-term or long-term Capital Gain tax rates when the shares are sold, or if applicable, according to Alternative Minimum Tax rates. Depending on the



circumstances, the Company may be required to collect from the said Optionee, a withholding tax in order for the Company to remit to the IRS following the exercise.

Optionees can exercise their options at any time at their discretion, and, except for times when the officers, directors and employees are prohibited from trading under the corporate governance policies of the Company (when the “Trading Window” is closed), are also free to sell their shares acquired through exercising their options at any time at their discretion, subject to notification to Management. Options exercised while the Trading Window is closed can only be sold after the Trading Window reopens. The Company has entered into an agreement with Solium Capital Inc. to provide a broker assisted exercise program for Optionees under the Company’s Stock Option Plan.

### C) *Summary Compensation Table*

The following table (presented in accordance with National Instrument Form 51-102F6 - Statement of Executive Compensation (“Form 51-102F6”) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company (to the extent required by Form 51-102F6) earned by each Named Executive Officers (“NEO”). Form 51-102F6 defines “NEO” or “named executive officer” to mean each of the following individuals: (a) a CEO; (b) a CFO; (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (d) each individual who would be an NEO but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

<i>NEO Name and Principal Position</i>	<i>Year</i>	<i>Salary (US\$)</i>	<i>Share-Based Awards<sup>(1)</sup> (US\$)</i>	<i>Option-Based Awards<sup>(1) (2)</sup></i>		<i>Non-Equity Incentive Plan Compensation (US\$)<sup>(2)</sup></i>		<i>Pension Value (US\$)</i>	<i>All Other Compensation (US\$)<sup>(2)</sup></i>		<i>Total Compensation (US\$)<sup>(2)</sup></i>
				<i>No. of Options</i>	<i>(US\$)</i>	<i>Annual Incentive Plans</i>	<i>Long-term Incentive Plans</i>				
Richard Zoccolillo <sup>(3)</sup> SVP Strategic Marketing	2018	72,917	N/A	1,750,000	477,796	Nil	Nil	Nil	Nil	Nil	550,713
Suresh Venkatesan <sup>(5)</sup> Chief Executive Officer	2018	440,000	N/A	3,900,000	1,845,448	Nil	Nil	Nil	Nil	Nil	2,285,488
	2017	440,000	N/A	3,000,000	596,813	Nil	Nil	Nil	450,000	Nil	1,036,813
	2016	522,500	N/A	300,000	198,479	Nil	Nil	Nil			1,170,979
Kevin Barnes <sup>(4)</sup> Corporate Controller and Treasurer	2018	117,669	N/A	150,000	54,925	Nil	Nil	Nil	Nil	Nil	196,243
	2017	146,509	N/A	250,000	49,734	Nil	Nil	Nil	Nil	Nil	154,494
	2016	88,335	N/A	100,000	66,159	Nil	Nil	Nil	Nil	Nil	145,040
Rajan Rajgopal <sup>(7)</sup> President of DenseLight	2018	220,000	N/A	250,000	91,541	Nil	Nil	Nil	Nil	Nil	311,541
	2017	20,000	N/A	1,000,000	214,967	Nil	Nil	Nil			434,967
Thomas R. Mika <sup>(6)</sup> Chief Financial Officer	2018	283,333	N/A	950,000	347,856	Nil	Nil	Nil	Nil	Nil	631,189
	2017	250,000	N/A	1,500,000	320,430	Nil	Nil	Nil	Nil	Nil	570,430
	2016	50,685	N/A	1,000,000	462,954	Nil	Nil	Nil			513,639
David Lazovsky <sup>(8)</sup> Executive Chairman	2018	200,000	N/A	950,000	347,856	Nil	Nil	Nil	Nil	Nil	547,856
	2017	183,333	N/A	3,000,000	760,847	Nil	Nil	Nil			944,180

**NOTES:**

- (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 is based on the exchange rate applicable on the date of grant.
- (3) Mr. Zoccolillo was appointed as SVP Strategic Marketing on September 24, 2018.
- (4) Mr. Barnes has served as Controller of the Company since May 9, 2008. He served as Chief Financial Officer from December 1, 2012 to November 2, 2016. He has served as Treasurer since December 1, 2012.
- (5) Dr. Suresh Venkatesan was appointed Chief Executive Officer since June 11, 2015.
- (6) Mr. Thomas R. Mika was appointed Chief Financial Officer since November 2, 2016.
- (7) Mr. Rajan Rajgopal was appointed President of DenseLight Semiconductor Pte. Ltd. since January 23, 2017.

(8) Mr. Lazovsky was appointed Executive Chairman since February 1, 2017.

**D) Incentive Plan Awards**

*(i) Incentive Plan Awards*

The following table sets forth information concerning all awards outstanding under the Stock Option Plan of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

<i>NEO Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>No. of Shares Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$/share)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The Money Options <sup>(1)</sup> (US\$)</i>	<i>Number of Shares or Units of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value of Share-Based Awards That Have Not Vested (US\$)</i>
David Lazovsky	25,000	CA\$1.54	12-Jun-2020	-	N/A	N/A
	250,000	CA\$1.99	08-Apr-2020	-	N/A	N/A
	150,000	CA\$0.86	07-Jul-2026	-	N/A	N/A
	3,000,000	CA\$0.39	01-Feb-2027	-	N/A	N/A
	950,000	CA\$0.52	28-Mar-2028	-	N/A	N/A
Richard Zoccolillo	1,750,000	CA\$0.39	24-Sep-2028	-	N/A	N/A
Kevin Barnes	25,000	CA\$0.23	16-Feb-2022	733	N/A	N/A
	25,000	CA\$0.51	28-Sep-2021	-	N/A	N/A
	50,000	CA\$0.76	28-Feb-2021	-	N/A	N/A
	50,000	CA\$1.24	12-Aug-2019	-	N/A	N/A
	50,000	CA\$1.54	12-Jun-2020	-	N/A	N/A
	25,000	CA\$1.08	13-Aug-2020	-	N/A	N/A
	100,000	CA\$0.86	07-Jul-2026	-	N/A	N/A
	250,000	CA\$0.28	31-Jul-2027	-	N/A	N/A
	150,000	CA\$0.52	28-Mar-2028	-	N/A	N/A
Thomas Mika	1,000,000	CA\$0.62	02-Nov-2026	-	N/A	N/A
	500,000	CA\$0.385	16-Jan-2027	-	N/A	N/A
	1,000,000	CA\$0.28	13-Jul-2027	-	N/A	N/A
	950,000	CA\$0.52	28-Mar-2028	-	N/A	N/A
Dr. Suresh Venkatesan	6,357,000	CA\$1.40	15-Jun-2020	-	N/A	N/A
	300,000	CA\$0.86	07-Jul-2026	-	N/A	N/A
	3,000,000	CA\$0.28	13-Jul-2027	-	N/A	N/A
	3,900,000	CA\$0.52	28-Mar-2028	-	N/A	N/A
Rajan Rajgopal	500,000	CA\$0.36	23-Jan-2027	-	N/A	N/A
	500,000	CA\$0.28	13-Jul-2027	-	N/A	N/A
	250,000	CA\$0.52	28-Mar-2028	-	N/A	N/A

**NOTE:**

(1) This amount is calculated based on the difference between the market value of the shares underlying the options as of December 31, 2018, being CAD \$0.27 (US\$0.20), and the exercise or base price of the option. The exchange rate used in these calculations to convert CAD to USD was 0.7333, being the closing exchange rate at December 31, 2018.

*(ii) Outstanding Share-Based Awards and option-Based Awards – Value Vested or Earned During the Year*

The value vested or earned during the most recently completed financial year of incentive plan awards granted to Named Executive Officers are as follows:

<i>NEO Name</i>	<i>Option-Based Awards - Value Vested During the Year<sup>(1)</sup> (US\$)</i>	<i>Share-Based Awards - Value Vested During the Year<sup>(2)</sup> (US\$)</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During the Year (US\$)</i>
Richard Zoccolillo	-	N/A	N/A
Kevin Barnes	-	N/A	N/A
Dr. Suresh Venkatesan	-	N/A	N/A
Thomas Mika	-	N/A	N/A
Rajan Rajgopal	-	N/A	N/A
David Lazovsky	-	N/A	N/A

**NOTES:**

(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

(2) This amount is the dollar value realized computed by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

*(iii) Narrative Discussion*

The current stock option plan of the Company is the 2018 Fixed Stock Option Plan (the "2018 Plan") which was approved by the disinterested shareholders of the Company on June 21, 2018 and accepted for filing by the TSXV. Under the 2018 Plan, the Company is required to reserve a number of shares eligible for granting under the Plan, which needs to be approved by shareholders and cannot exceed 20% of the issued and outstanding shares. The 2018 Plan reserved 57,611,360 shares as the maximum number (the "Fixed Number") of common shares which may be issued pursuant to options granted under the 2018 Plan and previous plans.

The purpose of the Plan is to allow the Company to grant options to directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options are exercisable over periods of up to ten (10) years as determined by the Board and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the last trading day before the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSXV. Generally, the Company does not grant options at a discount to the market price. Pursuant to the Plan, the Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. In addition, as a percentage of the issued and outstanding shares at the time of grant, the number of shares which may be reserved for issuance:

- (a) to all optionees under the Stock Option Plan in aggregate shall not exceed 20%;
- (b) to all insiders as a group may not exceed 20%; and
- (c) to any one individual may not exceed 2% on a yearly basis if the optionee is engaged in investor relations activities or is a consultant.

By resolution of the Directors dated February 25, 2016, it was resolved that, generally, the terms of stock options would be ten years with 25% of the stock options vesting on the first anniversary of the grant of the options and the balance vesting quarterly for three years thereafter. However, the Board can vary the vesting schedule for differing purposes, subject to complying with TSXV Policies.

The Plan provides that if a change of control, as defined therein, occurs, all shares subject to option shall immediately become vested and may thereupon be exercised in whole or in part by the option holder. The exercise price for options is generally set at the closing price of the common shares of the Company as of the last trading day prior to the date

of the grant of the options, in accordance with TSXV Policies.

As at December 31, 2018, the number of outstanding options granted under the Stock Option Plan was 44,463,729. For more information, refer to Note 13 “*Stock Options and Contributed Surplus*” in the Company’s audited financial statements for the year ended December 31, 2018. The criteria for determining awards to the NEOs is described under the “*Stock Options*” subsection of “*Description and Explanation of Elements of Compensation*”. As of June 30, 2019, the number of outstanding options granted under the Stock Option Plan was 53,971,577.

The Company’s Non-Equity Incentive Plan for compensation to the NEOs along with the criteria for determining awards is described under the “*Variable Pay Compensation*” subsection of “*Description and Explanation of Elements of Compensation*”.

**E) Pension Plan Benefits**

*(i) Defined Benefit Plans*

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

*(ii) Defined Contribution Plans*

The Company offers a defined contribution plan that is a 401K Plan for the US Subsidiary but does not contribute toward such plan.

*(iii) Deferred Compensation Plans*

The Company does not have any Deferred Compensation Plans other than that described above.

**F) Termination and Change of Control Benefits**

Other than disclosed below in “Written 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.

**Written Management Agreements**

The Company and/or its subsidiaries entered into employment contracts with the following current and former officers as follows:

- Mr. Barnes has an arrangement with the Company to provide consulting services starting January 1, 2013 for a period of one year with an automatic one-year renewal at a monthly rate of CA\$13,750. The Company may terminate the arrangement without cause on six months’ notice or equivalent compensation.
- Dr. Venkatesan entered into an Executive Employment Agreement with an effective date of June 10, 2015 wherein (i) he will be paid US\$550,000 per year under at-will terms of employment; (ii) he will be eligible for annual and special bonuses as determined by the Board of Directors; (iii) he was granted 6,357,000 stock options vesting over 4 years; (iv) he became eligible for a signing bonus of US \$450,000 payable on the first anniversary of the effective date; (v) he will receive a severance of twelve months on termination of employment by the Company, other than for cause. Mr. Venkatesan agreed to a permanent reduction of his cash compensation by 20% effective October 2016, reducing his compensation from US\$550,000 to US\$440,000 per year.
- Mr. Mika entered into an Executive Employment Agreement with an effective date of November 2, 2016 wherein (i) he will be paid US\$250,000 per year under at-will terms of employment (ii) he will be eligible for annual and special bonuses as determined by the Board of Directors; (iii) he was granted 1,000,000 stock options vesting over 4 years; (iv) he will receive an additional 500,000 stock options vesting over 4 years in Q1 2017; (v) he will be entitled to compensation of three months’ salary on termination of employment by the Company, if termination is other than for cause. Mr. Mika’s compensation was adjusted to US\$300,000 on May 1, 2018.

- On July 1, 2016, Mr. Lazovsky entered into a Consulting Agreement with the Company to provide strategic, technological, integration and other general consulting services. For his services, Mr. Lazovsky was paid US\$150,000 for the term from July 1, 2016 to December 31, 2016. Mr. Lazovsky entered into an Executive Agreement to provide services as the Executive Chairman of the Board with an effective date of February 1, 2017 wherein Mr. Lazovsky (i) would be paid US\$200,000 per year under at-will terms of employment; (ii) would be eligible for annual and special bonuses as determined by the Board of Directors; (iii) was granted 3,000,000 stock options vesting over 4 years; and (iv) would be entitled to compensation of six months' salary on termination of employment by the Company, if termination is other than for cause.
- Effective December 30, 2016, Mr. Rajan Rajgopal entered into an Employment Agreement with DenseLight to provide services as the President and General Manager of DenseLight. As per the agreement, Mr. Rajgopal (i) would be paid US\$220,000 per year; (ii) would be eligible for annual and special bonuses as determined by the Board of Directors; (iii) was granted 500,000 stock options vesting over 4 years; (iv) would be granted an additional 500,000 stock options no later than June 30, 2017; and (v) would be entitled to compensation of one month's salary on termination of employment by the Company, if termination is other than for cause.
- Effective September 10, 2018, Mr. Zoccolillo entered into an employment agreement to provide services as the Senior Vice President Strategic Marketing and Product Management. As per the agreement, Mr. Zoccolillo will (i) be paid US\$250,000 per year (ii) be eligible for annual and special bonuses as determined by the Board of Directors; and (iii) be granted 1,750,000 stock options vesting over 4 years.

**G) Compensation of Directors**

*(i) Director Compensation Table*

The following table sets forth all amounts of compensation provided to the directors, who are not also a Named Executive Officer, for the Company's most recently completed financial year:

<b>Director Name <sup>(1)</sup></b>	<b>Fees or Salary <sup>(2)</sup> (US\$)</b>	<b>Share-Based Awards (US\$)</b>	<b>Option-Based Awards <sup>(2)/(3)</sup></b>		<b>Non-Equity Incentive Plan Compensation (US\$)</b>	<b>Pension Value (US\$)</b>	<b>All Other Compensation (US\$)</b>	<b>Total (US\$)</b>
			<b>No. of Options</b>	<b>Value (US\$)</b>				
John F. O'Donnell <sup>(4)</sup>	40,000	N/A	433,333	100,968	N/A	N/A	N/A	140,968
Todd A. DeBonis <sup>(5)</sup>	2,500	N/A	-	-	N/A	N/A	N/A	2,500
Jean-Louis Malinge <sup>(8)</sup>	30,000	N/A	399,000	90,871	N/A	N/A	N/A	120,871
Peter Charbonneau	22,500	N/A	553,730	90,871	N/A	N/A	N/A	113,371
Don Listwin	27,500	N/A	867,750	165,696	N/A	N/A	N/A	193,196
Chris Tsiofas	50,000	N/A	487,666	111,064	N/A	N/A	N/A	161,064
Mohandas Warrior	30,000	N/A	399,000	90,871	N/A	N/A	N/A	120,871

**NOTES:**

- (1) Relevant disclosure has been provided in the *Summary Compensation Table* above, for directors who are also Named Executive Officers.
- (2) The exchange rate used in these calculations to convert CAD to USD is based on the exchange rate applicable on the date of grant.
- (3) 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.
- (4) The firm of Stikeman Keeley Spiegel LLP of which Mr. O'Donnell is counsel was paid the sum of USD \$115,740 for legal fees incurred in 2018. Mr. O'Donnell resigned from the Board on December 31, 2018.
- (5) Mr. DeBonis resigned from the Board on January 19, 2018.

*(ii) Narrative Discussion*

Non-executive directors are paid \$120,000 annually, consisting of a cash retainer of \$30,000, plus stock options equal to \$90,000 (based on a Black-Scholes valuation). No additional fees are paid for attending board or committee meetings. An additional \$10,000 in cash and \$10,000 in value of options are granted to each standing committee chair. The options vest quarterly over the one-year term of service as directors.

The directors participate in the Company’s Stock Option Plan for the granting of incentive stock options to the officers, employees and directors, which Plan is described under the subsection “*Narrative Discussion*” of “*Incentive Plan Awards*”. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

(iii) *Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information as at December 31, 2018, the end of the most recently completed financial year, concerning all awards outstanding under incentive plans of the Company, including awards granted before the most recently completed financial year, to each of the directors who are not Named Executive Officers:

<i>Director Name</i>	<i>Option-Based Awards</i>				<i>Share-Based Awards</i>	
	<i>Number of Securities Underlying Unexercised Options (#)</i>	<i>Option Exercise Price (\$)</i>	<i>Option Expiration Date</i>	<i>Value of Unexercised In-The-Money Options <sup>(1)(2)</sup> (US\$)</i>	<i>Number of Shares or Units of Shares That Have Not Vested (#)</i>	<i>Market or Payout Value of Share-Based Awards That Have Not Vested (US\$)</i>
John F. O’Donnell	150,000	CAS\$0.23	16-Feb-2022	4,400	N/A	N/A
	12,500	CAS\$0.345	19-Aug-2020	-	N/A	N/A
	625,000	CAS\$0.28	13-Jul-2027	-	N/A	N/A
	300,000	CAS\$1.24	12-Aug-2019	-	N/A	N/A
	443,333	CAS\$0.33	21-Jun-2028	-	N/A	N/A
	100,000	CAS\$1.54	12-Jun-2020	-	N/A	N/A
	150,000	CAS\$0.86	07-Jul-2026	-	N/A	N/A
Chris Tsiofas	300,000	CAS\$1.54	12-Jun-2020	-	N/A	N/A
	300,000	CAS\$1.24	12-Aug-2019	-	N/A	N/A
	487,666	CAS\$0.33	21-Jun-2028	-	N/A	N/A
	150,000	CAS\$0.86	07-Jul-2026	-	N/A	N/A
	687,500	CAS\$0.28	13-Jul-2027	-	N/A	N/A
Peter Charbonneau	399,000	CAS\$0.33	21-Jun-2028	-	N/A	N/A
	154,730	CAS\$0.52	28-Mar-2028	-	N/A	N/A
Jean-Louis Malinge	525,000	CAS\$0.30	05-Sep-2027	-	N/A	N/A
	399,000	CAS\$0.33	21-Jun-2028	-	N/A	N/A
Mohandas Warrior	250,000	CAS\$1.54	12-Jun-2020	-	N/A	N/A
	150,000	CAS\$0.86	07-Jul-2026	-	N/A	N/A
	399,000	CAS\$0.33	21-Jun-2028	-	N/A	N/A
	562,500	CAS\$0.28	13-Jul-2027	-	N/A	N/A
Don Listwin	468,750	CAS\$0.22	22-Jan-2028	17,187	N/A	N/A
	399,000	CAS\$0.33	21-Jun-2028	-	N/A	N/A

**NOTES:**

- (1) This amount is calculated based on the difference between the market value of the shares underlying the options as of December 31, 2018, being CAD \$0.27 (US\$0.20), and the exercise or base price of the option.
- (2) The exchange rate used in these calculations to convert CAD to USD was 0.7333, being the closing price at December 31, 2018.

(iv) *Incentive Plan Awards - Value Vested or Earned During the Year*

The value vested or earned during the most recently completed financial year of incentive plan awards granted to directors who are not Named Executive Officers are as follows:

<i>Director Name</i>	<i>Option-Based Awards - Value Vested During the Year<sup>(1)</sup> (US\$)</i>	<i>Share-Based Awards - Value Vested During the Year (US\$)</i>	<i>Non-Equity Incentive Plan Compensation - Value Earned During the Year (US\$)</i>
Todd A. DeBonis	-	N/A	N/A
John F. O'Donnell	-	N/A	N/A
Jean-Louis Malinge	-	N/A	N/A
Chris Tsiofas	-	N/A	N/A
Don Listwin	-	N/A	N/A
Peter Charbonneau	-	N/A	N/A
Mohandas Warrior	-	N/A	N/A

NOTES:

- (1) This amount is the dollar value that would have been realized 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 directors to have realized this value, they would have had to exercise their options and sell the shares on the day of vesting. None of these options were exercised.
- (2) The exchange rate used in these calculations to convert CAD to USD was the exchange rate applicable on the vesting date.

**H) *Securities Authorized for Issuance Under Equity Compensation Plans***

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at December 31, 2018, being the end of the most recently completed financial year.

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options</i>	<i>Weighted-average exercise price of outstanding options (US\$)</i>	<i>Number of securities remaining available for future issuance under equity compensation</i>
<i>Equity compensation plans approved by securityholders - 2018 Stock Option Plan</i>	44,463,729	\$0.58	13,147,631

**MANAGEMENT CONTRACTS**

No management functions of the Company or its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Company or its subsidiaries.

## CORPORATE GOVERNANCE DISCLOSURE

A summary of the responsibilities and activities and the membership of each of the Committees is set out below.

National Instrument 58-201 (“**NI 58-110**”) establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company’s practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. **NI 58-101** mandates disclosure of corporate governance practices which disclosure is set out below.

### ***Independence of Members of Board***

Since the resignation of John O’Donnell, the Company's current Board consists of 7 directors, four (4) of whom are independent based upon the tests for independence set forth in NI 52-110. Peter Charbonneau, Don Listwin, Mohandas Warrior and Chris Tsiofas are the independent directors. David Lazovksy is not independent as he is the Executive Chairman of the Company. Dr. Suresh Venkatesan is not independent as he is the Chief Executive Officer of the Company.

### ***Management Supervision by Board***

During 2018, independent supervision of Management was accomplished through its independent Board members, notwithstanding that the Executive Chairman of the Board was not independent. The Board considered that Management was effectively supervised by the independent directors as the independent directors were actively and regularly involved in reviewing and supervising the operations of the Company and had regular and full access to Management. The CEO and CFO reported on the operations of the Company separately to the independent directors of the Board at such other times throughout the year as was considered necessary or advisable by the independent directors. The independent directors were encouraged to meet at any time they consider necessary without any members of Management including the non-independent directors being present, and generally did so several times per year by adjourning Board meetings and asking all persons who were not independent directors to leave the room. The Company's auditors, legal counsel and employees may have been invited to attend. Further supervision was performed through the Audit Committee, currently composed of all independent directors, who meet with the Company's auditors without Management being in attendance, generally on a quarterly basis and at least once a year. Additional supervision was performed through the Compensation Committee and the Corporate Governance and Nominating Committee (the “CGNC”), both of which were composed of a majority of independent directors. The CGNC has determined that the current constitution of the Board of seven (7) directors is appropriate for the Company's current stage of development. The Board currently has a majority of independent directors.

### ***Participation of Directors in Other Reporting Issuers***

No director of the Company, nor any proposed nominee for election as a director, hold directorships in other reporting issuers, except for (i) Don Listwin who is a director of Calix Inc. (NYSE: CALX) and, (ii) Jean-Louis Malinge who is a director of EGIDE Group (EURONEXT: GID).

### ***Orientation and Continuing Education***

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
3. access to Management and technical experts and consultants; and
4. advice to consult on the internet the TSXV Policy relating to Corporate Governance and applicable regulations and policies and also the applicable securities laws, rules and regulations.

Board members are encouraged to communicate with Management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with Management’s assistance; and to attend related industry seminars and visit the Company’s operations. Board members have full access to the Company's records.



### ***Ethical Business Conduct***

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct which was updated on February 25, 2016 and is reviewed annually by the CGN Committee. The Board has instructed its Management and employees to abide by the provisions of the Code. A copy of the code is posted on the Company's website [www.poet-technologies.com](http://www.poet-technologies.com). The directors of the Corporation are responsible for monitoring compliance with this Code, for regularly assessing its adequacy, for interpreting this Code in any particular situation and for approving any changes to this Code from time to time.

### ***Investor Relations Disclosure Policy***

The Board has established a Company Disclosure Policy related to disclosure and external communications, which applies to all officers, directors and employees of the Company. The purpose of the Policy is to ensure compliance with legal and regulatory requirements, when preparing public disclosure documents, answering investor inquiries and/or attending conferences or meetings with its analysts and institutional shareholders. This policy covers disclosures in documents filed with the securities regulators and written statements made in POET's annual and quarterly reports, news releases, letters to shareholders, presentations (both of a business or technical nature), marketing materials, advertisements, and information contained on POET's website and other electronic communications. It also extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences, and conference calls.

### ***Trading by Insiders***

Insiders of the Company are expected to comply with all applicable Regulatory Laws, Rules and Regulations with respect to buying and selling shares of the Company. In addition, the Company has well-defined criteria for when the Trading Window for officers and directors opens and closes as per the Company's Securities Trading Policy posted on its website [www.poet-technologies.com](http://www.poet-technologies.com), the purpose of which is to ensure that Insiders do not trade shares of the Company at inappropriate times. Insiders are expected to abstain from trading the shares of the Company when the Trading Window is closed.

### ***Nomination of Directors***

The Board established a Corporate Governance and Nominating Committee (the "CGNC") currently composed of Peter Charbonneau (Chairman of the CGNC), Jean-Louis Melinge and Chris Tsiofas. The CGNC has the responsibility for identifying potential Board candidates. The CGNC assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the semiconductor and photonics industries are consulted for possible candidates. The Board has adopted a written charter that sets forth the responsibilities of the CGNC. In addition to its Board identification responsibilities, the CGNC is mandated to take a leadership role in shaping corporate governance by overseeing and assessing the functioning of the Board and the committees of the Board and developing, implementing and assessing effective corporate governance processes and practices. The Charter is posted on the Company's website [www.poet-technologies.com](http://www.poet-technologies.com).

### ***Compensation of Directors and the CEO***

On December 14, 2007, the Company established a Compensation Committee (the "CC") to be responsible for reviewing all overall compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; recommending to the Board the compensation of the executive officers; reviewing executive appointments; and recommending the adequacy and form of directors' compensation. The CC also reviews and recommends incentive stock option awards under the Company's Stock Option Plan. The current members of the CC are Chris Tsiofas (Chairman of the CC), Don Listwin and Dave Lazovsky.

The CC discusses and makes recommendations to the Board for approval or disapproval of all compensation issues that pertain to the Company. 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 CC is responsible for evaluating the compensation of the senior Management 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 CC 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 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 CC'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 CC 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) review any report on executive compensation required to be prepared under applicable corporate and securities legislation and regulation including the disclosure concerning members of the CC and settling the reports required to be made by the CC in any document required to be filed with a regulatory authority and/or distributed to shareholders.

The Compensation Committee has engaged Compensia in the recent past to conduct a Peer Group review of compensation levels. Compensia has given guidance to the Compensation Committee with respect to appropriate comparative terms for its incentive stock option plan and a comparative salary review of various positions relative to the Peer Group. The Compensation Committee utilizes the comparative reviews from time to time to assist in making appropriate recommendations.

### ***Board Committees***

In addition to its responsibility for nominating directors, the CGNC also has the responsibility for monitoring corporate governance compliance and setting corporate governance policy.

The Company also has a Disclosure Committee who meet as needed, to review the Company's material news disclosure prior to dissemination. The current members of the Disclosure Committee are Suresh Venkatesan and Dave Lazovsky. On February 25, 2016, the Directors, on the advice of the CGNC resolved that the CGNC be authorized as it may determine, on a case by case basis, to add a supplemental member to the Committee as a subject matter expert, depending on the nature of the disclosure, to ensure the appropriateness of the disclosure.

As the directors are actively involved in the operations of the Company, the Board has determined that additional committees, other than the AC, the CGNC and the CC, are not necessary at this stage of the Company's development.

### ***Assessments***

The Board annually, at such times as it deemed appropriate, reviewed the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducted informal surveys of its directors, received reports from the CGNC on its assessment of the functioning of the Board and reports from each committee respecting its own effectiveness.

### ***Audit Committee***

#### ***A) The Audit Committee's Charter***

The current Audit Committee Charter was put in place on December 14, 2007, a copy of which can be found in Appendix "A" and has been reviewed periodically since that time.

#### ***B) Composition of the Audit Committee***

The following are the current members of the Committee:

<u>Name</u>	<u>Independent/ Not independent <sup>(1)</sup></u>	<u>Financially literate <sup>(1)</sup></u>
Chris Tsiofas	Independent	Yes
Mohandas Warrior	Independent	Yes
Peter Dominic Charbonneau	Independent	Yes

NOTE:

(1) As defined by National Instrument 52-110 ("NI 52-110").

*C) Relevant Education and Experience*

The education and experience of each Audit Committee member that is relevant to the performance of his responsibilities are as follows:

Chris Tsiofas, the Chairman of the Audit Committee, holds B. Comm. from the University of Toronto. He has been a member of the Institute of Chartered Accountants of Ontario since 1993 and also a member of the Canadian Tax Foundation. He is a Partner with Myers Tsiofas Norheim LLP.

Mohandas Warrior was the President & CEO of Alfalight, Inc. between February 2004 and July 2016 – a high power diode laser company which serves military and industrial customers. Mohan is a 30+ year semiconductor industry veteran with 15 years of experience at Motorola Semiconductors where he held senior executive responsibilities in engineering and operations. Following Motorola, he successfully launched two venture-backed companies in Austin, Texas. He was a founding charter member of the Austin chapter of TiE and served on the Texas Higher Education Panel. He has also served on the Electronics Materials panel of the National Science Foundation and has been an invited speaker/panelist to many semiconductor forums. He serves on the Boards of several opto-electronic and technology companies. Mohan's academic credentials include a BS in Chemical Engineering from IIT Delhi, a MS in Chemical Engineering from Syracuse University and an MBA from the Kellogg School of Management at Northwestern University.

Peter Dominic Charbonneau holds a Bachelor of Science from the University of Ottawa and a Master of Business Administration from the University of Western Ontario. He is also a member and elected Fellow of the Institute of Chartered Professional Accountants of Ontario and has received the ICD.D designation from Institute of Corporate Directors of Canada. 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.

All members have an understanding of the accounting principles used by the Company to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

*D) Audit Committee Oversight*

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

*E) Reliance on Certain Exemptions*

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

*F) Pre-Approval Policies and Procedures*

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above in paragraph 7 (e) of the Audit Committee Charter.

*G) External Auditors Service Fees (By Category)*

The aggregate fees billed by the Company's external auditors for each of the last two fiscal years for audit fees are as follows:

<i>Financial Year Ending</i>	<i>Audit Fees <sup>(1)</sup></i>	<i>Audit Related Fees</i>	<i>Tax Fees<sup>(2)</sup></i>	<i>All Other Fees</i>
December 31, 2018	\$189,500	Nil	\$11,700	Nil
December 31, 2017	\$165,000	Nil	\$18,690	Nil

**NOTE:**

- (1) Audit fees consist of services that would normally be provided in connection with statutory and regulatory filings or engagements, including services that generally only the independent accountant can reasonably provide.
- (2) Tax fees relate to tax compliance, planning and advice.

**OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 20th day of August 2019.

**APPROVED BY THE BOARD OF DIRECTORS**

(signed) “*Thomas R. Mika*”, Secretary

**APPENDIX "A"**  
**MANDATE FOR THE BOARD OF DIRECTORS**  
**OF POET TECHNOLOGIES INC.**  
**(Restated and Adopted May 29, 2019)**

**1. PURPOSE AND GOAL OF THE BOARD.**

1.1 The board of directors (the "**Board**") of POET Technologies Inc. (the "**Company**") directly, and through its committees, oversees the management of, and provides stewardship over, the Company's affairs. The Board's primary goal is to act in the best interests of the Company to enhance long-term shareholder value, through consideration of the interests of the Company's various stakeholders, including shareholders, employees, customers, suppliers and the community. The Board is obligated to act honestly and in good faith with a view to the best interests of the Company. The Board is also committed to the principles of good corporate governance and best practices such as those set out in National Policy 58-201 – *Corporate Governance Guidelines* of the Canadian Securities Administrators ("**NP 58-201**").

**2. AUTHORITY.**

2.1 The organization of the Board and its authority are subject to any restrictions, limitations or requirements set out in the Company's constating documents, including its articles and by-laws, as well as any restrictions and limitations or requirements set out under applicable laws, including the *Business Corporations Act* (Ontario) (the "**Act**"), Canadian securities laws, United States securities laws as well as the standards, policies and guidelines of the stock exchange(s) on which the Company's securities are listed (collectively, the "**Applicable Law**").

2.2 The Board retains authority over the administration of its own affairs, including:

- (a) selecting the Chair of the Board;
- (b) forming Board committees (each a "**Committee**", and collectively, the "**Committees**");
- (c) delegating powers to Committees; and
- (d) developing position descriptions for the Chair of the Board and the chair of each Committee.

2.3 The Board will develop and maintain the Company's corporate governance approach, including developing a set of corporate governance principles specific to the Company (the "**Governance Principles**") to guide the Board, its Committees, the Company's officers, management and employees in completing their duties, responsibilities and obligations in relation to the Company. The Governance Principles will comply with the Act and include the best practices contained in NP 58-201 and any other practices approved by the Board.

2.4 The Board is responsible for approving the Company's significant operating policies and procedures, including reviewing and approving material changes to existing policies. The Board is also responsible for monitoring Company compliance, including Board compliance, with these policies.

**3. ORGANIZATION.**

3.1 The Company's shareholders elect directors annually to the Company's Board. Elections are conducted in accordance with the Act, applicable Canadian securities laws and the Company's constating documents, including its articles and by-laws. The number of directors comprising the Board is determined in accordance with the Company's articles and by-laws.

3.2 A majority of the directors on the Board must be independent in accordance with Applicable Law. The Board shall establish and maintain procedures and policies to ascertain director independence and address conflict of interest issues. No Board member may serve simultaneously on the board of directors of more than four (4) other public companies (including the Company) unless the Board determines that simultaneous service will not materially adversely affect the Board from acting independently or from fulfilling its mandate in accordance with Applicable Law.

3.3 Each Board member will complete a Directors and Officers Information Form to help the Company meet its continuous disclosure requirements under Applicable Law, and to help identify any director independence issues or conflicts of interest.

#### **4. COMMITTEES.**

- 4.1 In accordance with Section 2.2(c) and Section 2.2(d), the Board will establish and delegate some of its responsibilities and powers, permitted under Applicable Law, to its Committees. At a minimum, the Board will establish an Audit Committee, a Compensation Committee and a Corporate Governance and Nomination Committee. The Board may form other Committees at its discretion.
- 4.2 Every Committee must be comprised entirely of independent directors unless otherwise authorized by the Board in its discretion.
- 4.3 Every Committee must create and maintain a Committee Mandate outlining its responsibilities, including those responsibilities set out in NP 58-201, to be approved by the Board.
- 4.4 Every Committee Mandate must be disclosed in accordance with NI 58-101, and made publicly available on the Company's website.

#### **5. POSITION DESCRIPTIONS.**

- 5.1 The Board, with the assistance of the Corporate Governance and Nominating Committee, will develop clear position descriptions for the Chair of the Board and the Chair of each Committee.
- 5.2 The Board, together with the Chief Executive Officer ("CEO") of the Company will develop a clear position description for the CEO (including delineating management responsibilities) and will develop or approve the corporate goals and objectives that the CEO is responsible for meeting.

#### **6. RISK MANAGEMENT.**

- 6.1 The Board is responsible for the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks. The Board's responsibility to oversee risk management includes receiving reports from management on the status of risk management activities, reviewing reports on spending in relation to approved budgets and overseeing the financial reporting process of the Company. The Board should review the effectiveness of the Company's system of internal controls, at minimum, on an annual basis.
- 6.2 To ensure clear delineation of roles and responsibilities, the Board will develop management authority guidelines to distinguish between areas of Board authority, including Committee authority, and those delegated to the CEO and other management personnel. These guidelines must set out matters that must be presented to the Board for review. Matters to be presented to the Board for review include any material acquisitions, dispositions and capital expenditures, major contracts, and significant finance-related issues.

#### **7. STRATEGIC PLANNING.**

- 7.1 The Board is responsible for adopting the Company's strategic planning process (the "**Planning Process**"). Using the Planning Process, the Board will participate with management in creating the Company's strategic plan (the "**Plan**"). The Board should approve the Plan before its implementation. The Board will not approve the Plan if the Plan does not:
  - (a) recognize, and capitalize or mitigate (as applicable) the opportunities and risks of the Company's business; or
  - (b) does not describe how the Company will implement the Plan to achieve the Company's long-term goals.
- 7.2 The Board will seek regular status reports from the Company's management in relation to the Company's performance, as compared to the Plan.
- 7.3 The Board will approve the Company's annual budget and will receive reports from management in respect of the Company's actual results and a comparison of the actual results to the Company's annual budget.

#### **8. CODE OF BUSINESS CONDUCT AND ETHICS.**

- 8.1 The Board should adopt a written Code of Ethics and Business Conduct (the "**Code**") as part of its efforts to promote a culture of integrity and honesty throughout the Company. The Code will apply to the Board itself and the Company's management and employees.

- 8.2 The Board may grant any waivers to the Code in certain circumstances, provided a waiver would be in accordance with Applicable Law. If the Board grants a waiver to the Code, the Board will determine if disclosure of the waiver is necessary in accordance with Applicable Law. Contents of such disclosure will be in compliance with NI 58-101.
- 8.3 On occasion, the Board must review and analyze the conduct of the CEO and senior management to satisfy itself that these individuals are complying with the Code and are creating a culture of compliance and integrity throughout the Company.

## **9. MANAGEMENT OVERSIGHT.**

- 9.1 The Board will oversee Company's management, including:
- (a) appointing, training and monitoring the CEO and other senior management;
  - (b) developing the CEO's position description in accordance with Section 5.2;
  - (c) developing or approving the corporate goals and objectives of the CEO and of other senior management;
  - (d) determining the compensation of the CEO and of other senior management; and
  - (e) assessing the performance of the CEO and other senior management, taking into consideration:
    - (i) such person's position description;
    - (ii) such person's goals and objectives;
    - (iii) the Governance Principles, including the individual's adherence to the Governance Principles;
    - (iv) the efforts made by such person to promote a culture of integrity at the Company; and
    - (v) the Plan.
- 9.2 All management incentive plans tied to the Company's performance must first be approved by the Board.

## **10. COMMUNICATIONS AND DISCLOSURE.**

- 10.1 The Board will oversee the development and adoption of a disclosure policy to promote consistent disclosure practices by the Company in connection with the disclosure of material information about the Company and the Company's communications with external parties, including shareholders, the media and members of the investment community.
- 10.2 Representatives from the Board will be present at all shareholders' meetings to respond to shareholder questions relating to the Board's activities, duties and obligations.
- 10.3 The Board will appoint an independent, non-executive director to be available to shareholders with concerns should shareholder communications with the Board Chair, the CEO or other executive officers fail to resolve the issue or such contact is inappropriate.
- 10.4 The Board will ensure the Company's financial performance is reported to shareholders, other security holders and regulators on a timely and regular basis in accordance with Applicable Law, and that reasonable steps are taken to ensure timely reporting of events, in accordance with Applicable Law, having a significant and material impact on the Company.

## **11. WHISTLEBLOWER POLICY.**

- 11.1 The Board will, in conjunction with the Audit Committee, establish a whistleblower policy for the Company allowing Company employees, officers, directors and other stakeholders, including the public, to raise, anonymously or not, questions, complaints or concerns about the Company's practices, including fraud, policy violations, any illegal or unethical conduct, and any Company accounting, auditing or internal control matters. The Board will ensure that any questions, complaints or concerns are adequately received, reviewed, investigated, documented and resolved.

## **12. MEETINGS.**

- 12.1 Meetings of the Board will be called, scheduled and held in accordance with the Company's constituting documents, including its articles and by-laws, as well as under Applicable Law.
- 12.2 Quorum for a Board meeting will be a majority of the directors. All directors are expected to attend and be prepared to participate, including reviewing all meeting materials before every Board meeting.
- 12.3 The Board will provide at least two (2) days' notice of a meeting, unless all members of the Board consent to another time period or waive notice.
- 12.4 The Chair of the Board will seek input from the directors and Company's management, when setting each Board meeting's agenda.
- 12.5 Any written material to be provided to directors for a Board meeting must be distributed sufficiently in advance of the meeting to give directors time to review and understand the information. All material provided to directors will be relevant and concise.
- 12.6 The CEO, chief financial officer of the Company ("CFO") and any other member of senior management may, if invited by the Chair of the Board, attend, give presentations relating to their responsibilities and otherwise participate at Board meetings.
- 12.7 The Company's secretary, or if there is no Company secretary, any attendee nominated by the Chair of the Board, will be the secretary of the meeting.
- 12.8 The Chair of the Board/Company secretary will circulate minutes of all Board meetings to the Board and will ensure that all minutes of meetings, or written resolutions in lieu of a meeting, are filed in the Company's minute book.
- 12.9 The independent directors will meet separately after every regularly scheduled Board meeting without non-independent members, and members of management in attendance. The independent directors may also hold other meetings at such times and with such frequency as the independent directors consider necessary.

## **13. DIRECTOR EDUCATION AND TRAINING.**

- 13.1 The Board will provide newly elected or appointed directors with an orientation program to educate them on the Company, their roles and responsibilities on the Board or Committees, as well as the Company's internal controls, financial reporting and accounting practices. In addition, directors will, from time to time, as required and as circumstances permit, receive:
  - (a) training to increase their skills and abilities, as it relates to their duties and their responsibilities on the Board; and
  - (b) continuing education about the Company to maintain a current understanding of the Company's business, including its operations, internal controls, financial reporting and accounting practices.

## **14. ASSESSMENTS.**

- 14.1 The Board, the Committees and each director will perform an annual self-assessment on its, his or her contribution and effectiveness. The Board and any Committee will consider its Mandate, and any director will consider his or her position description, when performing a self-assessment.
- 14.2 The Board will assess, on at least an annual basis, any policy, procedure, guideline or standard, including this Mandate, created by the Board to manage or fulfill its roles, duties and responsibilities, to ensure that they remain current and relevant. The Board will ensure that each Committee shall perform the same assessment in relation to any Committee policy, procedure, guideline or standard.

## **15. ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS.**

- 15.1 To fulfill its roles, duties and responsibilities effectively, the Board may contact and have discussions with the Company's external auditors and the Company's officers and employees and request Company information and documentation from these persons.
- 15.2 The Board may, in its sole discretion, retain and obtain the advice and assistance of independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this



Mandate. The Board may set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Company.

**16. NO RIGHTS CREATED.**

- 16.1 This Mandate is a broad policy statement and is intended to be part of the Board's flexible governance framework. While this Mandate should comply with all Applicable Law and the Company's constating documents, including articles and by-laws, this Mandate does not create any legally binding obligations on the Board, any Committee, any director or the Company.