



I N T E R N A T I O N A L R O A D D Y N A M I C S I N C .

INTERNATIONAL ROAD DYNAMICS INC.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD MAY 11, 2016

Management Proxy and Information Circular

March 14, 2016

General Information

Management of the Corporation provides this Management Proxy and Information Circular to solicit proxies for the Meeting to occur at 3:30 P.M. (Central Time) on May 11, 2016 at the Corporation's Office, 702-43rd Street East, Saskatoon, Saskatchewan.

Unless otherwise noted, the information contained in this proxy circular is given as of March 14, 2016. All amounts are expressed in Canadian dollars.

Common Shares Outstanding

As of March 14, 2016, 14,637,292 common shares in the capital of the Corporation (the "Shares") were outstanding. The Shares trade under the symbol IRD on the Toronto Stock Exchange ("TSX").

Record Date and Entitlement to Vote

Each shareholder of record at the close of business on March 29, 2016 (the "Record Date") is entitled to vote at the Meeting, the Shares registered in his or her name, on that date. Each Share carries the right of one vote on each matter voted on at the Meeting.

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Part 1 – Voting Matters

Note: Shareholders who do not hold their shares in their own name as registered shareholders should read “Non-Registered Shareholders or Beneficial Shareholders” for an explanation of their rights.

Shareholders who hold their shares in their own name (registered shareholders) and who attend the meeting can cast one vote for each common share held on resolutions put before the meeting. Registered shareholders who do not plan to attend the meeting and non-registered shareholders or beneficial shareholders can vote by using a proxy. The proxy authorizes someone else to attend the meeting and cast the votes for a shareholder.

Solicitation of Proxies

This Management Proxy and Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of International Road Dynamics Inc. (the “**Corporation**”) for use at the **Annual and Special Meeting of the Shareholders of the Corporation to be held on May 11, 2016**, at the Corporation’s Office, 702-43rd Street East, Saskatoon, Saskatchewan, at **3:30 p.m.** or any adjournment thereof (the “**Meeting**”), for the purposes set out in the notice of the Annual and Special Meeting (the “**Notice of Meeting**”) accompanying this Circular. The information contained herein is as of March 14, 2016 unless stated otherwise.

The Board of Directors (the “**Board**”) and management of the Corporation are soliciting proxies primarily by mail. Proxies may also be solicited (personally or by telephone) by directors, officers or employees of the Corporation at nominal cost. The nominal cost of solicitation shall be borne by the Corporation.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy (a “Proxy”) are directors and officers of the Corporation. A shareholder of the Corporation submitting a Proxy has the right to appoint a nominee (who need not be a shareholder of the Corporation) to represent him or her at the Meeting other than the persons designated in a Proxy by inserting the name of the chosen nominee in the blank space provided for that purpose on the form, or by completing another Proxy. Such shareholder should notify the nominee of appointment, obtain consent to act as proxy and should instruct on how the shareholder’s Shares are to be voted. In any case, a Proxy should be dated and executed by the shareholder or, where a Proxy has been executed by an attorney of the shareholder, by the shareholder’s attorney authorized in writing, with proof of such authorization attached.

If voting by phone or internet, a shareholder will need the pre-printed control number and holder account number on the Proxy. A Proxy submitted by mail will not be valid for the Meeting or any adjournment thereof unless it is signed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, signed under its corporate seal and executed by a duly authorized officer or attorney of the corporation. A completed and signed Proxy or phone and internet vote must be delivered to and received by Computershare Trust Company of Canada, Attn: Proxy Department, 100 University Ave, Toronto, ON, M5J 2Y1, at least 48 hours, excluding Saturdays, Sundays and holidays, before the day of the Meeting or any adjournment thereof.

In addition to revocation in any other manner permitted by law, a shareholder who has given a Proxy may revoke it, any time before it is exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal executed by a duly authorized officer or attorney of the corporation and deposited at the office of Computershare Trust Company of Canada, Attn: Proxy Department, 100 University Ave, Toronto, ON, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the Proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

Voting of Proxies

The persons named in the Proxy have been designated by the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote his Shares by completing the blanks on the Proxy.

The Shares represented by a Proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for. If the shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **IN THE ABSENCE OF SUCH CHOICE BEING SPECIFIED, THE SHARES WILL BE VOTED IN FAVOUR OF THE MATTERS TO BE VOTED ON.**

The Proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. In the event that other matters properly come before the Meeting, then your Shares will be voted in accordance with the judgment of the nominee.

Beneficial Shareholders (Non-Registered)

The information set forth in this section is provided to beneficial holders of Shares who do not hold their Shares in their own name (“Beneficial Shareholders”). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder’s name on the records of the Corporation. Such Shares will more likely be registered under the name of the Beneficial Shareholder’s broker or an agent of that broker. In Canada, the vast majority of common shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting Shares for their clients. The Corporation does not know for whose benefit the Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically provides a machine-readable voting request form or applies a special sticker to the Proxy, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or Proxy to Broadridge. Often, Beneficial Shareholders are alternatively provided with a toll-free telephone number or Internet website address to vote their Shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a Proxy with a Broadridge sticker on it cannot use that instruction request or Proxy to vote Shares directly at the Meeting as the Proxy must be returned as directed by Broadridge (or other intermediary) well in advance of the Meeting in order to have the Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or Proxies as directed by Broadridge (or other intermediary) well in advance of the Meeting. If you have any questions respecting the voting of Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his or her broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and vote their Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the Proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

All references to "**shareholders**" in this Circular and the Proxy and Notice of Meeting are to shareholders of the Corporation of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders who produce proof of their identity.

Record Date Shares and Principal Holders Thereof

The close of business on March 29, 2016 has been fixed as the record date (the "**Record Date**") for the determination of shareholders of the Corporation entitled to receive notice of and to vote at the Meeting or any adjournments thereof; provided that, to the extent such a shareholder transfers the ownership of any of his Shares after that date and the transferee of those Shares establishes that he owns such Shares and demands at any time before the Meeting that his name be included in the shareholders' list, such transferee shall have the entitlements of a shareholder owning such Shares.

Designation of Class	No. of Shares Outstanding	Aggregate No. of Votes	No. of Votes Per Share
'A' common voting	14,637,292	14,637,292	1

As of the date hereof, there are 4,450,000 Shares authorized for issuance for a specific purpose. These include Shares authorized for issuance under the Corporation's Directors Share Compensation Plan (see Part 3) and the Corporation's Stock Option Plan (see Part 6).

To the best of the knowledge of the directors and executive officers of the Corporation based on publicly available records and previously provided information, the only people, firm or corporation which beneficially owns, directly or indirectly, or exercises control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, as at the date of this Management Proxy and Information Circular is:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Common Shares
Boeckh Investments Inc. Montreal, Quebec	Direct and Indirect	1,816,400	12.4%

Quorum

The by-laws of the Corporation provide that a quorum of shareholders is present at a meeting of the shareholders of the Corporation if the holder or holders of not less than 10% of the Shares entitled to vote at the meeting are present in person or represented by proxy.

Part 2 – Business of the Meeting

To the knowledge of the Board, the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

No person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at this meeting other than the election of directors and the appointment of auditors.

Financial Statements

The Corporation will submit to the shareholders at the Meeting the financial statements of the Corporation for the fiscal year ended November 30, 2015 and the auditors' report thereon, but no vote by the shareholders with respect thereto is required or proposed to be taken.

Nominees for Election to the Board of Directors

The Board is currently comprised of seven directors; Harvey Alton, Dr. A.T. Bergan, Terry Bergan, Ray Harris, Ray Kolla, Sharon Parker and Dr. C. Michael Walton, and all of these directors are being nominated for re-election at the Meeting. Directors are elected to serve until the election of directors at the next annual meeting of the shareholders of the Corporation or until his or her successor is elected or appointed unless his or her office is earlier vacated in accordance with the articles of the Corporation or he/she becomes disqualified to act as a director.

The Corporation has adopted a majority voting policy for election of directors. Any nominee in an uncontested election who receives more "withheld" than votes in his or her favour shall be considered to not have received the support of shareholders. Such nominee is expected to immediately tender his or her resignation to the Board, for consideration. A director who tenders his or her resignation will not participate in any meetings to consider whether the resignation shall be accepted. The Board expects that resignations will be accepted unless extraordinary circumstances warrant the refusal of that director's resignation. Within ninety (90) days of receiving the final voting results, the Board will issue a press release announcing that it has accepted the director's resignation or explaining the reasons for not accepting the resignation.

The Proxy permits you to vote in favour of all the nominees, to vote in favour of some nominees and to withhold votes for other nominees, or to withhold votes for all nominees. Unless instructed otherwise, persons named in the Proxy will vote FOR the election of these nominees as directors.

All seven nominees proposed for election to the Board are currently directors of the Corporation.

Appointment of Auditor

On the recommendation from the Audit Committee, the Board recommends the re-appointment of KPMG LLP, Chartered Accountants as Auditors. KPMG LLP (or its predecessors) has been the Corporation's auditors since the Corporation's initial public offering in 1995.

Unless a shareholder indicates that they wish to abstain from voting, the voting rights attached to the Shares represented by the Proxy will be voted FOR the appointment of KPMG LLP as auditors of the Corporation.

In 2015, the aggregate amounts billed for professional services provided by the auditors, KPMG LLP, to the Corporation and its subsidiaries were approximately \$408,500 for audit and audit-related fees and \$95,500 for tax fees; the comparative figures for 2014 were approximately \$428,500, and \$87,400, respectively.

Approval and Amendment of Stock Option Plan

Background

In 1997, the Board adopted the Corporation's Stock Option Plan as a part of the executive compensation program of the Corporation going forward. The Stock Option Plan is designed to promote the long-term interests of the Corporation and its Shareholders by fostering proprietary interest in the Corporation among the executive and key employees of the Corporation. The Stock Option Plan is also used by the Corporation to attract and retain qualified executives and key employees. The Board believes that equity ownership by management in the Corporation is an integral component of its compensation scheme.

Since the adoption of the Stock Option Plan in 1997, options have been exercised to acquire 1,992,835 Shares. As at March 14, 2016, options to acquire 1,376,500 Shares are issued and outstanding under the Stock Option Plan, representing approximately 9.4% of the Corporation's total issued and outstanding Shares.

Proposed Amendments

The Stock Option Plan is proposed to be amended in the manner set out in Appendix 1 to this Circular. Following such amendment, the Stock Option Plan will have the terms discussed below.

Previously allocated options will continue to be unaffected by the approval or disapproval of the Ordinary Resolution to Approve and Amend the Stock Option Plan.

The Stock Option Plan is available to any Shareholder on request from the Corporate Secretary of the Corporation. Shareholders wishing to receive a copy of the Stock Option Plan should contact the Corporation by e-mail at irdir@irdinc.com.

Key Terms of the Stock Option Plan

The following summary of the key terms of the amended Stock Option Plan is qualified in its entirety by the full text of the Stock Option Plan, which is reproduced in Appendix 1 to this Circular.

Currently, the maximum number of Shares issuable under the Stock Option Plan is fixed at 3,500,000, of which 130,665 Shares remain available to be issued. The Corporation is proposing to increase the maximum number of Shares which may be issued under the Stock Option Plan to a fixed maximum of 5,500,000, resulting in a total of 2,130,665 Shares available to be issued under the Stock Option Plan, which represents approximately 14.6% of the Corporation's issued and outstanding Shares as at the date of this Circular. The changes as described above are summarized in the following table.

	Current Stock Option Plan	Amended Stock Option Plan
Maximum authorized number of Shares	3,500,000	5,500,000
Less Shares issued due to exercised options	(1,992,835)	(1,992,835)
Less currently outstanding options	(1,376,500)	(1,376,500)
Maximum Shares available to be issued under the Stock Option Plan	130,665	2,130,665

Notwithstanding the 5,500,000 fixed Share maximum, the amended Stock Option Plan requires that the total number of options granted will not, at any time, exceed 10% of the Corporation's total issued and outstanding Shares. In the event that this 10% threshold exceeds the 5,500,000 fixed Share maximum noted above less options exercised and outstanding, then the Corporation will not grant any further options in excess of the 5,500,000 fixed Share maximum less options exercised and outstanding.

Under the Amended Stock Option Plan, a total of 87,229 options, representing approximately 0.6% of the Corporation's issued and outstanding Shares, would be available to be granted as of the date of this Circular as demonstrated in the following table.

Shares issued and outstanding	14,637,292
10% threshold	x 10%
Maximum number of options to be granted	1,463,729
Less currently outstanding options	(1,376,500)
Available number of options to be granted	87,229

Unexercised options granted under the Stock Option Plan are available for subsequent options, however, the Shares issued due to exercised options are not available for subsequent options and count against the maximum number of Shares issuable under the Stock Option Plan.

Options granted under the Stock Option Plan are not assignable by the grantee of such Options except to a corporation controlled by such grantee. The Stock Option Plan does not include any provisions respecting stock appreciation rights nor does the Stock Option Plan provide for financial assistance from the Corporation to allow persons to participate in the Stock Option Plan.

Eligible Participants, Insiders, and Maximum Entitlements

All directors, officers, employees or services providers of the Corporation or any of its subsidiaries are eligible to receive Options under the Stock Option Plan.

No Options will be granted to any optionee if the grant could result, at any time, in:

- the number of Shares issuable to optionees of the Corporation, at any time, under the Stock Option Plan or when combined with all of the Corporation's other security based compensation arrangements, exceeds 10% of the Corporation's total issued and outstanding Shares;
- the number of Shares issuable to insiders of the Corporation, at any time, under the Stock Option Plan or when combined with all of the Corporation's other security based compensation arrangements, exceeds 10% of the Corporation's total issued and outstanding Shares;
- the number of Shares issued to insiders pursuant to Options, other stock options or other security based compensation agreements, within any one-year period, exceeds 10% of the Corporation's issued and outstanding Shares;
- the issuance to any one insider and such insider's associates, within a one-year period, of a number of Shares exceeding 5% of the Corporation's issued and outstanding Shares; or
- the fixed maximum of 5,500,000 Shares issued under the Stock Option Plan would be exceeded.

The proposed amendments to the Stock Option Plan contemplate revisions to the terms "insider" as well as revisions to the maximum number of Options issuable under the Stock Option Plan to optionees and the maximum number of Shares issuable to insiders under the Stock Option Plan.

Term, Vesting, and Exercise Price of Options

The Board has the discretion, at the time of grant, to set the terms and conditions, as well as the vesting schedule, respecting any Option. The proposed amendments to the Stock Option Plan propose increasing the potential term for Options granted under the Stock Option Plan from five (5) years to ten (10) years. Generally, Options vest at a rate of 1/3 on each of the first, second, and third anniversaries of the date of grant.

The proposed amendments to the Stock Option Plan contemplate revisions to the definition "Market Price" to ensure its conformity to the definition of such term with the definition found in the Toronto Stock Exchange's Company Manual. The new definition contemplates that "Market Price" means the volume weighted average trading price of the Shares on the TSX (or any other stock exchange on which the majority of the volume of trading of the Shares has occurred over the relevant period) over the five (5) trading days immediately preceding such date, calculated by dividing the total value of all trades occurring on such days by the total volume of Shares so traded during such days, subject to any conditions or restrictions imposed by the TSX.

The term "Market Price" is critical to the option price of an Option issuable under the Stock Option Plan. While the option price for a particular Option is fixed at the date of grant and is set by the Board, in no case can the option price be less than either:

- the Market Price of the Shares as at the date the Option is awarded; or
- the minimum prescribed by the TSX or any other applicable stock exchange as of the date the Option is awarded.

The proposed amendments to the Stock Option Plan contemplate the addition of provisions concerning “black-out periods” when the Shares are not tradable by certain persons as a result of a policy of the Corporation or applicable securities laws. Specifically, despite the discussion above respecting exercise of Options, if the term of an Option expires during a black-out period or within 10 business days after the date on which the black-out period ends, then the term of that Option will be extended to the date which is 10 business days after such date on which the black-out period ends.

The proposed amendments to the Stock Option Plan also contemplate the addition of a definition for a “Change of Control”, which generally refers to:

- a majority of new directors of the Corporation being appointed in place of the existing Board;
- subject to certain exceptions, a change in the ownership of the Shares such that a person or group of persons acting jointly or in concert, or persons associated or affiliated with such person or such group, become the owner(s) of Shares which would entitle them to cast more than 25% of the votes attaching to all Shares;
- subject to certain exceptions, the consummation of a merger, consolidation, share exchange or other similar corporate transaction involving the Corporation or any of its subsidiaries;
- a liquidation or dissolution of the Corporation;
- a sale or other disposition of all or substantially all of the property or assets of the Corporation; or
- a determination by the Board that a “Change of Control” has occurred.

If a “Change of Control” occurs, the amendments to the Stock Option Plan contemplate all Options becoming immediately vested and exercisable.

Termination of Options

If an Optionee retires or terminates his employment or directorship with the Board under circumstances equating to retirement, the Optionee may exercise his options at any time within six (6) months of the date of such retirement or termination equating to retirement; provided, however, that the Optionee may only exercise such options to the extent that he or she was entitled to exercise them on the day immediately preceding the date of such retirement or termination equating to retirement.

If an Optionee ceases to serve the Corporation or any Affiliate as an employee, officer or director for cause, no options held by the Optionee may be exercised following the date on which the Optionee ceases to serve the Corporation or any Affiliate.

If an Optionee ceases to serve the Corporation or any Affiliate as an employee, officer or director other than for cause, the Optionee may exercise his options at any time within thirty (30) days of the date on which the Optionee ceases to serve the Corporation or any Affiliate.

In the event an Optionee commits an act of bankruptcy or any proceeding is commenced against such Optionee under any applicable bankruptcy or insolvency legislation, and such proceeding remains undismissed for a period of thirty (30) days, no options held by the Optionee may be exercised following the date on which the Optionee commits the particular act of bankruptcy or such proceeding remains undismissed.

If an Optionee dies, any options granted to the Optionee will be exercisable by his personal representatives, heirs or legatees within the earlier of (i) one (1) year from the grant of probate of the Optionee's will or letters of administration of the estate of the Optionee; or (ii) one (1) year after the date of death of the Optionee.

Amendment and Termination Provisions of the Stock Option Plan

The Board has the right to amend, modify or terminate the Stock Option Plan or Options granted under the Stock Option Plan at any time if and when it is considered advisable in the discretion of the Board; however, shareholder approval is required for any of the following amendments:

- any amendment to the number of Shares (or other securities) issuable under the Stock Option Plan, including amendments to increase any of the limits on the number of Options that may be granted;
- any amendment which reduces the option price of an Option (including by canceling and reissuing stock options);
- any amendment to the transferability or assignability of an Option, except as otherwise permitted by the Stock Option Plan;
- any amendment extending the term of an Option beyond its original expiry date, except as otherwise permitted by the Stock Option Plan;
- any expansion of the scope of persons eligible to participate in the Stock Option Plan to include non-employee directors; and
- amendments required to be approved by shareholders under applicable law.

Other than as specified above, the Board may approve all other amendments to the Stock Option Plan or Options granted under the Stock Option Plan in its discretion without shareholder approval. Without limiting the generality of the foregoing, the following types of amendments would not require shareholder approval:

- amendments of a "housekeeping" or ministerial nature, including, without limitation, any amendment for the purpose of curing any ambiguity, error or omission in the Stock Option Plan or to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan;
- amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules of the Toronto Stock Exchange or any other applicable stock exchange);
- any amendment which increases the option price of an Option;
- any expansion of persons eligible for participation in the Stock Option Plan other than to non-employee directors;
- amendments respecting administration of the Stock Option Plan;
- any amendment to the vesting provisions of the Stock Option Plan or any Option;
- any amendment to the early termination provisions of the Stock Option Plan or any Option provided that the amendment does not entail an extension beyond the original expiry date of such Option; and
- amendments necessary to suspend or terminate the Stock Option Plan.

The Board may terminate the Stock Option Plan at any time provided that any termination will not alter the terms or conditions of any Option or impair any right of any Optionee pursuant to any Option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Stock Option Plan.

United States Persons

The proposed amendments to the Stock Option Plan contemplate new language to ensure the Stock Option Plan complies with Section 409A of the United States Internal Revenue Code. Specifically, the amendments provide that the provisions of the Stock Option Plan be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

In the event that the Board determines that any amounts payable under the Stock Option Plan will be taxable to a U.S. Optionee under Section 409A prior to payment to such U.S. Optionee of such amount, the Corporation may:

- adopt amendments to the Stock Option Plan and Options and appropriate policies and procedures, including amendments and policies with retroactive effect, to preserve the intended tax treatment of the benefits provided by the Stock Option Plan and Options; and/or
- take such other actions as the Board determines necessary or appropriate to avoid or limit the imposition of an additional tax under Section 409A.

Resolution

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass the Ordinary Resolution to Approve and Amend the Stock Option Plan, as reproduced below, approving certain amendments to the Stock Option Plan described below:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. The maximum number of common shares issuable under the stock option plan (the “Stock Option Plan”) upon the exercise of options be increased by 2,000,000, from 3,500,000 to 5,500,000;
2. The total number of Options granted will not, at any time, exceed 10% of the Corporation’s total issued and outstanding Shares;
3. The potential term for Options granted under the Stock Option Plan be extended from five (5) to ten (10) years;
4. The exercise period of option holders otherwise prevented from exercising options because of black out period be extended by a further ten (10) business days after such black out period ends;
5. The provisions governing amendments to the definition of market price, insider and to the maximum number of Options issuable to insiders be amended to conform with the definitions and standards found in the TSX Company Manual be adopted;
6. The provisions governing the addition of the change of control definition be adopted;
7. The provisions governing amendments to the Stock Option Plan specifying when security holder approval of amendments is required be adopted;
8. The provisions governing amendments to the Stock Option Plan specifying that the Stock Option Plan be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the United States Internal Revenue Code be adopted;

9. The Corporation is hereby authorized to grant stock options under the Stock Option Plan in accordance with its amended terms; and
10. Any director or officer of the Corporation be and each of them is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or cause to be executed and delivered all documents, and to take any action, which, in such director's or officer's own discretion, is necessary or desirable to give effect to this resolution."

The Board considers the approval and amendment of the Stock Option Plan to be in the best interests of the Corporation and its Shareholders and accordingly, the Board unanimously recommends that Shareholders vote FOR the Ordinary Resolution to Approve and Amend the Stock Option Plan. The Ordinary Resolution to Approve and Amend the Stock Option Plan requires the approval of not less than a simple majority of the votes cast in order to be adopted.

Unless a Shareholder who has given a proxy has directed that its Common Shares be voted against the Ordinary Resolution to Approve and Amend the Stock Option Plan, the persons named in the accompanying form of proxy intend to vote FOR the Ordinary Resolution to Approve and Amend the Stock Option Plan.

Other Matters Coming Before the Meeting

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Shares represented by Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such Proxy.

Part 3 – Board of Directors

Harvey Alton, P.Eng, Civil Engineering
Delta, BC Canada

Director Since: 1996

Age: 76

Director Status: Independent⁽¹⁾

Harvey Alton is the former Deputy Minister of Transportation and Utilities for the Province of Alberta and is currently working with Alton Management Services Inc. as a Principal Consultant.

Mr. Alton graduated from the University of Alberta with a Bachelor of Science in Civil Engineering.

Mr. Alton is an honorary life time member of the Transportation Association of Canada.

IRD Board/Committee membership	Attendance		Stock Ownership: 149,448
Board of Directors	6/6	100%	Travel days: \$2,000 for 8 half-days
Corporate Governance Committee	1/1	100%	
Audit Committee	4/4	100%	
Compensation Committee (Chair)	4/4	100%	

Annual General Meeting Voting Results:

Year	Votes in Favor		Votes Withheld	
2015	5,789,474	96.83%	128,410	2.15%

Dr. A.T. Bergan, Ph.D., Transportation Engineering
Saskatoon, SK Canada

Director Since: 1980 (Chairman)

Age: 85

Director Status: Non-Independent⁽²⁾

Dr. A. T. Bergan is a Professor Emeritus of Civil Engineering at the University of Saskatchewan. Dr. Bergan works with the Corporation providing advisory and consulting services.

Dr. Bergan received his Bachelor of Science in Civil Engineering and Master of Science in Civil Engineering at the University of Saskatchewan. He completed his Ph.D. in Civil Engineering at the University of California, Berkeley. He is a member of the Association of Professional Engineers of Saskatchewan (P.Eng).

Dr. Bergan has been a director since 1980, serving as Chairman of the Board.

IRD Board/Committee membership	Attendance		Stock Ownership: 247,118
Board of Directors	6/6	100%	

Annual General Meeting Voting Results:

Year	Votes in Favor		Votes Withheld	
2015	5,673,397	94.89%	244,487	4.09%

(1) "Independent" refers to the standard of independence established under section 1.2 of National Instrument 58-101 - *Corporate Governance* ("NI 58-101").

(2) Dr. A. T. Bergan is not considered to be independent under NI 58-101. Dr. A. T. Bergan provides advisory and consulting services to the Corporation as well as serving as Chairman of the Board.

Terry Bergan, P.Eng
Saskatoon, SK Canada

Director Since: 1987 (President & CEO)

Age: 61

Director Status: Non-Independent⁽²⁾ (Executive Officer)

Terry Bergan graduated from the University of Saskatchewan with a Bachelor of Science in Civil Engineering. He is a member of the Association of Professional Engineers of Saskatchewan (P.Eng).

Mr. Bergan has been President since 1986 and Chief Executive Officer of the Corporation since January of 1994.

IRD Board/Committee membership	Attendance	Stock Ownership: 987,733
Board of Directors	6/6 100%	Stock Options: 575,000
Annual General Meeting Voting Results:		
Year	Votes in Favor	Votes Withheld
2015	5,776,356 96.61%	141,528 2.37%

Ray Harris, FCPA, FCA
Wasaga Beach, ON Canada

Director Since: 1998 (Lead Director)

Age: 86

Director Status: Independent⁽¹⁾

Ray Harris has been a consultant since 1996 and has been a Corporate Director since 1998. Prior thereto, he was an advisor to the Ministry of Finance of the People's Republic of China and prior thereto he was chairman of Deloitte and Touche (Canada).

Ray Harris sat on the board of Sparta Capital Ltd. from March 2002 to January 2014 and presently sits on the board of directors for Firan Technology Group Corporation.

IRD Board/Committee membership	Attendance	Stock Ownership: 106,319
Board of Directors (Lead)	6/6 100%	Travel days: \$2,250 for 9 half-days
Corporate Governance Committee	1/1 100%	
Audit Committee (Chair) ⁽³⁾	2/2 100%	
Audit Committee	2/2 100%	
Compensation Committee	4/4 100%	
Annual General Meeting Voting Results:		
Year	Votes in Favor	Votes Withheld
2015	5,785,219 96.76%	132,665 2.22%

(1) "Independent" refers to the standard of independence established under section 1.2 of National Instrument 58-101 - *Corporate Governance* ("NI 58-101").

(2) Terry Bergan, the President and Chief Executive Officer of the Corporation, is not considered to be independent under NI 58-101.

(3) Ray Harris was Chair of the Audit Committee until May 5, 2015 at which time Ray Kolla was appointed as Chair of the Audit Committee.

Ray Kolla, B.Comm., CPA, CA
Saskatoon, SK Canada

Director Since: May 2015

Age: 64

Director Status: Independent⁽¹⁾

Ray Kolla graduated from the University of Saskatchewan with a Bachelor of Commerce degree in 1975. In 1977 Ray Kolla received his CA designation from the Institute of Chartered Accountants of British Columbia.

Ray joined Peat Marwick Mitchell in 1978, a predecessor firm of KPMG LLP. In 1985 he was admitted to partnership with the Firm and practiced in Saskatoon until 2008. In 2008 he transferred to KPMG's Victoria office and assumed the responsibilities of Office Managing Partner. Ray Kolla retired from KPMG in 2011.

From April 2012 to March 2013, Ray served as the Acting Director of Finance for International Road Dynamics Inc.

IRD Board/Committee membership	Attendance⁽²⁾		Stock Ownership: 2,906	
Board of Directors	3/3	100%		
Audit Committee (Chair) ⁽³⁾	2/2	100%		
Compensation Committee	3/3	100%		
Annual General Meeting Voting Results:				
Year	Votes in Favor		Votes Withheld	
2015	4,137,787	69.20%	1,780,097	29.77%

Sharon Parker, B.Ed.
Saskatoon, SK Canada

Director Since: 1994 (Corporate Secretary)

Age: 59

Director Status: Non-Independent⁽⁴⁾ (Executive Officer)

Sharon Parker graduated from the University of Saskatchewan with a Bachelor of Education in 1979.

Sharon Parker has been with the Corporation since January of 1980 and is currently Vice-President, Corporate Resources of the Corporation.

IRD Board/Committee membership	Attendance		Stock Ownership: 166,216	
Board of Directors	6/6	100%	Stock Options: 75,000	
Annual General Meeting Voting Results:				
Year	Votes in Favor		Votes Withheld	
2015	4,141,256	69.26%	1,776,628	29.72%

- (1) "Independent" refers to the standard of independence established under section 1.2 of National Instrument 58-101- *Corporate Governance* ("NI 58-101").
- (2) Ray Kolla attended 100% of the board and committee meetings that were held after being appointed as director on May 5, 2015.
- (3) Ray Kolla was appointed as Chair of the Audit Committee on May 5, 2015.
- (4) Sharon Parker, the Vice-President Corporate Resources of the Corporation, is not considered to be independent under NI 58-101.

Dr. C. Michael Walton, Ph.D., Civil Engineering
Austin, TX United States of America

Director Since: 2000

Age: 74

Director Status: Independent⁽¹⁾

Dr. C. Michael Walton is a Professor of Civil Engineering and Ernest H. Cockrell Centennial Chair in Engineering at the University of Texas at Austin.

Dr. Walton received his Bachelor of Science in Civil Engineering at the Virginia Military Institute. He received his Master of Civil Engineering (Transportation) and his Ph.D. at the North Carolina State University.

IRD Board/Committee membership	Attendance		Stock Ownership: 138,705
Board of Directors	6/6	100%	Travel days: \$2,750 for 11 half-days
Corporate Governance Committee	1/1	100%	
Audit Committee	4/4	100%	
Compensation Committee	3/4	75%	

Annual General Meeting Voting Results:

Year	Votes in Favor		Votes Withheld	
2015	5,798,743	96.99%	119,141	1.99%

(1) "Independent" refers to the standard of independence established under section 1.2 of National Instrument 58-101- *Corporate Governance* ("NI 58-101").

All directors have held the principal occupation identified above for not less than five years. No director holds more than 10% of the Shares of the Corporation. Each director holds office until the earlier of his or her resignation or our next meeting at which directors are elected unless a director ceases to hold office pursuant to the provisions of the *Canada Business Corporations Act*.

Director Compensation

The Corporation does not pay directors who are compensated as executive officers of the Corporation. The Corporation pays its non-executive directors for serving on its Board, including Dr. A.T. Bergan who is also compensated under a management contract (see "Management Contracts"). There are no arrangements under which directors were compensated by the Corporation during the most recently completed financial year for their services other than as described below.

Effective February 20, 2015, annual retainers and attendance fees were paid to the members of the Board who are not employees or officers of the Corporation on the following basis:

Chairman retainer	\$30,000
Lead Director retainer	\$25,000
Annual Board retainer	\$15,000
Each board or committee meeting attended	
Board of Directors Meeting	\$500
Audit Committee Meeting – Chair	\$1,000
Audit Committee Meeting	\$250
Corporate Governance Committee Meeting - Chair	\$500
Corporate Governance Committee Meeting	\$250
Compensation Committee Meeting - Chair	\$500
Compensation Committee Meeting	\$250
Travel Days (per ½ day)	\$250
Annual grant of stock option under the terms of the director share compensation plan	Nil

A director can choose to have 0 to 100% of their annual remuneration paid in the form of Shares pursuant to the director share compensation plan for independent directors which was implemented in 1998 to better link the compensation of the directors to the creation of added value for shareholders. Each Share issued under the director share compensation plan is valued at the market value on the dates that the cash remuneration would be payable to the directors. No financial assistance is being provided to directors by the Corporation to facilitate the acquisition of the Shares, save for the compensation otherwise payable to the directors in accordance with the Corporation's compensation package for directors.

When an Independent director ceases to act on the Board, the director continues to be entitled to elect to receive Shares pursuant to the directors share compensation plan to the extent that the director is entitled to receive compensation for that year.

Compensation of Directors

The following table shows the compensation provided to directors who are not also “Named Executive Officers”, as defined in Form 51-102F6 *Statement of Executive Compensation*, of the Corporation for the fiscal year ended November 30, 2015.

	Compensation (\$) ⁽¹⁾		Share-based awards ⁽²⁾	Option-based awards ⁽²⁾	Non-equity incentive plan compensation	Pension value ⁽³⁾	All other compensation ⁽⁴⁾	Total Compensation
	Annual Retainer	Attendance fees						
Dr. A. T. Bergan	30,000	N/A	Nil	Nil	Nil	Nil	\$90,000	\$120,000
Ray Harris	25,000	9,250	Nil	Nil	Nil	Nil	Nil	\$34,250
Harvey Alton	15,000	8,250	Nil	Nil	Nil	Nil	Nil	\$23,250
Dr. C. Michael Walton	15,000	7,750	Nil	Nil	Nil	Nil	Nil	\$22,750
Ray Kolla ⁽⁵⁾	7,500	4,250	Nil	Nil	Nil	Nil	Nil	\$11,750

- (1) These amounts represent the portion paid in cash to outside directors with the exception of \$9,375 and \$3,750 of the annual remuneration to Ray Harris and Ray Kolla, respectively, which were issued in the form of Shares.
- (2) Other than the director’s share compensation plan described below, the Corporation does not provide share-based or option-based awards to Independent directors.
- (3) The Corporation does not provide a pension plan to its directors.
- (4) Dr. A.T. Bergan is retained pursuant to a management contract for his advisory and consulting services to the Corporation. Dr. Bergan was paid \$90,000 for his services plus reimbursement for his reasonable expenses.
- (5) Ray Kolla was appointed director on May 5, 2015.

Directors Share Compensation Plan

In 1998, the TSX approved an arrangement under which an aggregate of up to 250,000 Shares could be issued from the treasury of the Corporation to compensate directors pursuant to the Directors Share Compensation Plan (the “DSCP”). This arrangement was approved by a majority of “disinterested” shareholders at the 1999 Annual and Special Meeting of Shareholders. Through subsequent amendments (the most recent of which occurred in 2009) which were ratified and approved by both a majority of “disinterested” shareholders and the TSX, the maximum number of Shares presently issuable under the DSCP is 950,000, which equals 6.5% of the Corporation’s current outstanding share capital.

Those directors electing to receive all or a portion of their remuneration in Shares were issued such Shares on the day cash remuneration was to be paid (subject to applicable rules and regulations), that being five business days after the release of the quarterly or year-end financial statements of the Corporation. 726,180 Shares have been issued to directors under the DSCP (as amended) since its inception, leaving 223,820 Shares remaining available for future issuance to the directors. During fiscal 2015, \$108,875 of the compensation to outside directors was paid in cash and \$13,125 of consideration was paid in 11,690 Shares.

No financial assistance is being provided to directors by the Corporation to facilitate the acquisition of the Shares, save for the compensation otherwise payable to the directors in accordance with the Corporation’s compensation package for directors. The exercise price of Shares issued under the DSCP is the market price of the Shares of the Corporation on the date of issuance.

Under the DSCP, at the time of granting the Shares, the aggregate number of Shares issuable and the aggregate number of Shares issuable to any one individual may not exceed the maximum number permitted by any stock exchange on which the Shares may be listed or other regulatory body having jurisdiction.

In the event an outside director's seat on the Board is terminated, be it for whatever reason, the director shall continue to be entitled to elect to receive Shares pursuant to the DSCP to the extent that the director is entitled to receive compensation for that year.

Director Share Ownership

Directors are expected to hold Shares of the Corporation in accordance with the Director Share Compliance Policy. Following appointment as a director the individual is expected to make minimum annual investments equal to 50% of their annual board retainer, which is currently \$7,500, in Shares until the total number of Shares held is at least 35,000. Any individual appointed as director has a five-year period from the date of appointment in order to maintain compliance with the Director Share Compliance Policy. As of March 14, 2016, each of the directors was in compliance.

Assessments

Annually, the Board assesses their performance as members of the Board and its committees. The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continued improvement. The annual assessment consists of a Board questionnaire. The confidential responses are tabulated and analyzed by an independent party. The Corporate Governance Committee reviews the responses and reports back to the Board on its recommendations on Board effectiveness.

Board Interlocks

Two or more directors of the Corporation do not currently serve on the same board of another reporting issuer.

Cease Trade Orders or Bankruptcies

The Corporation was subject to a cease trade order issued by the Saskatchewan Financial Services Commission (now Financial and Consumer Affairs Authority), the Ontario Securities Commission and the British Columbia Securities Commission on March 4, 6 and 9, 2009, respectively (the "**Orders**"). The Orders were a result of the Corporation being unable to file its annual audited financial statements, management discussion and analysis, annual information form and certifications (the "**Prescribed Filings**") for its 2008 fiscal year end by the prescribed deadline. The Orders were revoked effective May 12, 2009, by the Saskatchewan Financial Services Commission, the Ontario Securities Commission and the British Columbia Securities Commission once the Prescribed Filings were filed. Six of the seven Corporation's proposed directors were serving on the Board at the time that the Orders were issued.

To the knowledge of the Corporation, none of the proposed nominees has within 10 years of the date of this Circular, been a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in such 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.

Personal Bankruptcies

No proposed director has within 10 years before the date of this Circular, become 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 the assets of such person.

Penalties and Sanctions

No proposed director has been subject to:

- a) 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
- b) Any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Part 4 – Compensation Governance

The Corporation has established a Compensation Committee, comprised of Independent Directors. The Compensation Committee is composed of either three or four directors, each of whom is an Independent Director. The Chairman of the Compensation Committee is appointed by the Board for a one-year term, and may serve any number of consecutive terms. Currently, the following directors of the Corporation make up the Compensation Committee: (1) Ray Harris; (2) Harvey Alton (Chair); (3) Dr. C. Michael Walton; and (4) Ray Kolla.

All members of the Compensation Committee have experience that is relevant to their responsibilities regarding overseeing compensation of the Corporation. Three of the four members have served on the Compensation Committee of the Corporation for over ten years and have been involved in the review of the Corporation's compensation during that time. For further information regarding the education and experience of each member see Part 3 - Board of Directors.

The Compensation Committee has unrestricted access to Corporation personnel and documents and is provided with the resources necessary to carry out its responsibilities. Generally, the Compensation Committee is responsible to review and make recommendations to the Board concerning the:

- (1) compensation philosophy for the Corporation;
- (2) annual corporate compensation plan;
- (3) compensation plan for management and key individuals; and
- (4) compensation plan for the executives of the Corporation.

In addition, the Compensation Committee:

- (1) in conjunction with the Corporate Governance Committee, defines the President and CEO's responsibilities;
- (2) in conjunction with the Corporate Governance Committee, reviews and recommends to the Board for approval, the compensation of directors of the Corporation; and
- (3) reviews compensation plans which include base salaries, benefits, stock options and bonuses, and other forms of remuneration recommended by management of the Corporation.

Executive Compensation Discussion and Analysis

The Corporation has a Compensation Committee, comprised of Independent directors, whose primary function is to review plans and make recommendations to the Board regarding executive compensation, as well as the Corporation's compensation philosophy and, in conjunction with the Corporate Governance Committee, make recommendations for Board remuneration. The Corporation's President and CEO proposes the level of compensation to be paid to the other executives of the Corporation to the Compensation Committee, which reviews and approves or, in consultation with the President and CEO, varies the proposals. The President and CEO does not determine his own salary. The compensation of the President and CEO is determined by the Compensation Committee based on the attainment of objectives set by the Board that are consistent with the Corporation's strategic plan. The Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package for each executive officer.

The Corporation's executive compensation practices are intended to provide both current and long term rewards to its executive officers that are competitive within the compensation practices of the industry and consistent with their individual performance and contribution to the Corporation's objectives. The Corporation's executive officers are:

Terry Bergan	President and Chief Executive Officer
David Cortens	Chief Financial Officer
Randy Hanson	Executive Vice President and Chief Operating Officer
Sharon Parker	Vice President Corporate Resources

Pursuant to Form 51-102F6 *Statement of Executive Compensation*, the President and CEO ("**CEO**"), Chief Financial Officer ("**CFO**"), Chief Operating Officer ("**COO**") and Vice President Corporate Resources of the Corporation are "Named Executive Officers" or "NEOs". Additional disclosures are made with respect to the Named Executive Officers. (See "Summary Compensation Table").

The Corporation's principal goal is to create value for its shareholders. The Corporation's compensation philosophy reflects this goal, and is based on the following fundamental objectives: (1) to implement compensation programs that align the goals of executives with shareholders' interests; (2) to provide competitive overall compensation commensurate with the Corporation's performance; (3) to be competitive with other companies within both the region and within the same industry; and (4) to implement variable compensation elements aimed so that their value will vary according to the Corporation's performance so that the Corporation's fixed costs are limited when the Corporation does not meet its goals and flexible enough to reward the executive when the organizational goals of the Corporation are achieved. In the event that goals are not achieved, the Compensation Committee can recommend to the Board the award of variable compensation.

No compensation consultant advisor has, at any time since the Corporation's most recently completed financial year, been retained to assist the Board or the Compensation Committee in determining compensation for any of the corporation's directors or executive officers.

Responsibilities of NEO's

Terry Bergan, President and CEO – The CEO oversees the management of the day-to-day operations of the Corporation; provides leadership and vision to the Corporation; develops and recommends significant corporate strategies and objectives for approval by the Board; and develops and recommends annual operating budgets to the Board.

David Cortens, CFO – The CFO is responsible for accurate and timely financial reporting. Accountability and credibility are paramount as financial results are presented to the shareholders, Board of Directors, securities commissions, lenders, and other financial and external partners.

Randy Hanson, Executive Vice President and COO – The COO is responsible for the management of worldwide, day-to-day operations of the Corporation in accordance with the strategic plan.

Sharon Parker, Vice President Corporate Resources - Responsible for Corporate Relations, Human Resources, Marketing and Communications, Quality Management, Environmental Sustainability, Diversity, Safety and Administration groups and the overall development, implementation and coordination of the policies and programs related thereto.

Benchmarking

The Board recognizes that past and future success of the Corporation relies on its most important asset, its people, and especially its executive officers, and strives to foster compensation packages that promote the attraction, retention and development of quality personnel. Compensation of all executive officers was compared against compensation paid to corporations of similar size in terms of revenues across the country, and operating in a variety of different technology fields. Compensation information available from compensation surveys and publicly available information contained within annual proxy circulars was utilized. In reviewing the comparative data, the Board did not engage in benchmarking for the purposes of establishing compensation levels relative to any predetermined point. External data provides an insight to external competitiveness, but is not an appropriate single basis for establishing compensation levels. This is primarily due to the differences in the size and operations of comparable corporations and the lack of sufficient appropriate matches to provide statistical relevance.

Base Salary

Base salary comprises the portion of executive compensation that is fixed, whereas annual incentives and option based compensation represent compensation that may or may not be paid to the respective officer depending on: (1) whether the executive is able to meet or exceed their applicable performance expectations; (2) market performance of the Shares; and (3) achieving the strategic long-term objectives of the Corporation. Base salaries of executives are reviewed annually and are based on: (1) individual performance; (2) the particular responsibilities related to the position; and (3) the experience level of the executive officer. Salaries are set with the goal of being competitive in the marketplace, taking into account the current situation of the Corporation.

The Corporation aligns the base salary element of executive compensation with the objectives of: (1) being competitive with other companies within both the region and the same industry; and (2) retaining superior quality employees.

Medium-Term (Bonus)

Executive officers are eligible for annual bonuses as defined in the annual incentive (bonus) program, upon achievement of minimum corporate objectives pursuant to the Corporation's Strategic Plan. The Board of Directors reserves the right to approve a discretionary bonus. The bonus program is based on exceeding the Corporation's profit performance targets as set by the Board. The participants are allocated a share of the profits based on two components; their position in the Corporation and individual predetermined performance targets. The 2015 financial year plan provided the executives with an annual incentive commencing on the achievement of the minimum after tax earnings per share of \$0.07. The Corporation exceeded this target with its highest reported earnings per share of \$0.18.

The Corporation aligns the annual incentives (bonus) element of executive compensation with the Corporation's objectives of: (1) creating value for shareholders; (2) providing competitive overall compensation commensurate with the Corporation's performance; (3) being competitive with other companies within both the region and the same industry; and (4) retaining superior quality employees.

Long-Term Compensation (Options)

Option-based awards are used as incentive compensation to reward performance and encourage activities that promote long-term success of the Corporation. Encouraging the Corporation's executive officers and employees to become shareholders of the Corporation is, in the Corporation's view, the best way to align their interests with those of shareholders. The Compensation Committee is responsible for approving and/or recommending changes to any equity incentive plan under which an option-based award is granted. The Compensation Committee considers stock option grants when determining executive compensation packages as a whole.

The Corporation's stock option plan provides the grant of options to employees based on responsibilities and contributions towards the successful implementation of the Strategic Plan. The amount of options granted to an individual is determined in three levels:

- (1) executives ~ as recommended and approved by the Board;
- (2) managers ~ 20,000 to 40,000 options; and
- (3) key individuals ~ 10,000 to 30,000 options.

The standard option agreement provides that options expire on the date that is 5 years after their grant with the following vesting schedule: 1/3rd after 12 months, 1/3rd after 24 months, and 1/3rd after 36 months.

The Corporation aligns the long-term compensation element of executive compensation with the Corporation's objectives of:

- (1) creating value for shareholders;
- (2) aligning the goals of executives with shareholders' interests;
- (3) providing competitive overall compensation commensurate with the Corporation's performance;
- (4) being competitive with other companies within both the region and the same industry; and
- (5) implementing variable compensation elements aimed so that their value will vary according to the Corporation's performance.

Incentive Plans

The following table sets forth, for each Named Executive Officer, the number and value of option-based awards outstanding at the end of the 2015 financial year.

	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾⁽²⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
Terry Bergan	200,000	0.63	Oct 10, 2018	138,000	Nil	Nil	Nil
	300,000	1.20	Feb 28, 2019	36,000			
	75,000	0.72	Dec 1, 2019	45,000			
Randy Hanson	25,000 ⁽³⁾	0.31	Oct 26, 2016	25,250	Nil	Nil	Nil
	225,000	1.20	Feb 28, 2019	27,000			
	75,000 ⁽⁴⁾	0.72	Dec 1, 2019	45,000			
David Cortens	66,500 ⁽⁵⁾	0.43	Nov 9, 2017	59,185	Nil	Nil	Nil
	75,000	0.72	Dec 1, 2019	45,000			
Sharon Parker	27,500 ⁽⁶⁾	0.31	Oct 26, 2016	27,775	Nil	Nil	Nil
	75,000	0.72	Dec 1, 2019	45,000			

- (1) Unexercised “in-the-money” options refers to the options in respect of which the market value of the underlying securities as at the financial year end exceed the exercise or base price of the option.
- (2) The aggregate of the difference between the market value for the Shares as at November 30, 2015, being \$1.32 per Share and the exercise price of the options.
- (3) During the 2015 fiscal year 100,000 options were exercised at \$0.31. As of March 14, 2016, no options remain unexercised.
- (4) Subsequent to the 2015 fiscal year 50,000 options were exercised at \$0.72 and 25,000 options remain unexercised as of March 14, 2016.
- (5) During the 2015 fiscal year 21,000 options were exercised at \$0.43.
- (6) During the 2015 fiscal year 47,500 options were exercised at \$0.31. As of March 14, 2016, no options remain unexercised.

The President and CEO assesses the contributions that individual executives have made to long term shareholder value and proposes option grants to the Compensation Committee. In formulating such proposals, previous option grants awarded to the executives are considered. The Compensation Committee reviews the grant proposals, and makes option grant proposals to the Board.

The Compensation Committee assesses the contributions that the President and CEO has made to long term shareholder value, as well as other relevant factors set out above under “Executive Compensation Discussion and Analysis”, and proposes option grants to the Board. In formulating such proposals, previous option grants awarded to the executives are considered.

Value Vested or Earned During the Year

The following table sets forth, for each Named Executive Officer, the value vested or earned during the 2015 financial year under the various compensation plans.

	Option-based awards – Value vested during FY2015 (\$) ⁽¹⁾	Share-based awards – Value vested during FY2015 (\$)	Non-equity incentive plan compensation – Value earned during FY2015 (\$)
Terry Bergan	61,000	Nil	310,011
Randy Hanson	15,000	Nil	247,606
David Cortens	44,667	Nil	185,432
Sharon Parker	15,000	Nil	94,461

- (1) Based on the trading price of the Shares of \$1.32 as of November 30, 2015.

Investment Savings Plan

Employee contributions and the Corporation's matching contributions are made to a self-directed RRSP (Registered Retirement Savings Plan). This program is available to all Canadian employees including NEO's.

The Corporation will match an employee's contributions up to a predetermined level as follows:

- Employees with the Corporation for 1 to 5 years continuous service may contribute up to 2% of annual base salary.
- Employees with the Corporation for over 5 years continuous service may contribute up to 5% of annual base salary.

Other Benefits

All employees, including the NEO's, receive other benefits such as health care and life insurance that are based on competitive market practices and help to attract and retain quality employees.

Compensation Risks

The Corporation's executive compensation policies and programs are designed to create appropriate incentives to increase long-term shareholder value. The Corporation's compensation program incorporates many elements that are intended to ensure our compensation practices do not encourage excessive or inappropriate risk-taking. For example:

- Our mix of base salary, medium and longer-term compensation encourages executives to take a balanced view and mitigates against excessive risk-taking or behaviour that is too conservative.
- The annual cash bonus is directly linked to and determined by corporate performance.
- Stock options vest over three years and have a five year term, reinforcing the goal of building and sustaining long-term value in line with shareholder interests.
- In order to further align their interests with those of shareholders, NEOs are required to meet specific stock ownership guidelines.

Purchase of Financial Instruments

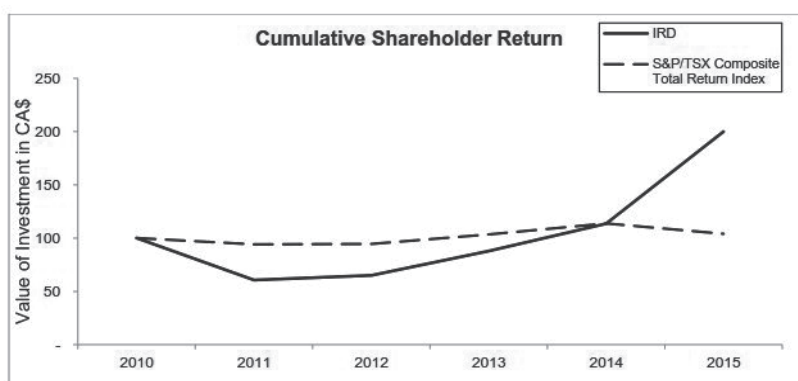
Executive officers and directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Executive Share Ownership

Executive officers are expected to hold Shares of the Corporation in accordance with the Executive Share Compliance Policy. Following appointment as an executive officer the individual is expected to make a minimum annual investment of \$7,500 in Shares until the total number of Shares held is at least 35,000. Any individual appointed into an executive position has a ten-year period from the date of appointment in order to maintain compliance with the Executive Share Compliance Policy. The executive officers of the Corporation are identified in "Executive Compensation Discussion and Analysis". As of March 14, 2016, each of the executive officers was in compliance.

Performance Graphs

The following performance graph indicates the cumulative return over six years, assuming a \$100 investment made in the Shares on November 30, 2010 and in the S&P/TSX Composite Total Return Index.



IRD

S&P/TSX Composite Total Return Index

	2010	2011	2012	2013	2014	2015
IRD	100	61	65	88	114	200
S&P/TSX Composite Total Return Index	100	94	94	103	114	104

The Corporation's executive compensation policy supports a strong relationship between compensation earned by an executive officer and the return received by a shareholder. The increase in executive compensation for the fiscal year 2015 (see Summary Compensation Table) is the result of the non-equity incentive compensation earned due to the Corporation exceeding its 2015 performance target. The increase in executive compensation is consistent with the improved cumulative shareholder return illustrated in the performance graph above.

Share-Based and Option-Based Awards

The Corporation issues option-based awards as long-term incentive compensation to reward performance and encourage activities that promote long-term success as indicated previously. (See "Long-Term Compensation")

Summary Compensation Table

The following table sets forth the information regarding the total compensation paid during the last three financial years to the (i) President and CEO, (ii) CFO and (iii) any executive officer of the Corporation whose total salary and bonus exceeds \$150,000 CDN in total salary and bonus (collectively the “Named Executive Officers” or “NEO”):

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽²⁾	Total compensation (\$)
					Annual	Long Term			
Terry Bergan ⁽³⁾ President & CEO	2015	334,901	Nil	Nil	310,011 ⁽⁶⁾	Nil	Nil	12,902 ⁽⁵⁾	657,814
	2014	310,005	Nil	5,023 ⁽¹⁰⁾	81,714 ⁽⁷⁾	Nil	Nil	12,135 ⁽⁵⁾	408,877
	2013	300,000	Nil	9,995	15,000 ⁽⁸⁾	Nil	Nil	11,850 ⁽⁵⁾	336,845
Randy Hanson ⁽⁴⁾ COO	2015	267,485	Nil	Nil	247,606 ⁽⁶⁾	Nil	Nil	13,374	528,465
	2014	247,602	Nil	5,023 ⁽¹⁰⁾	63,152 ⁽⁷⁾	Nil	Nil	12,380	328,157
	2013	239,576	Nil	Nil	11,979 ⁽⁸⁾	Nil	Nil	11,978	263,533
David Cortens CFO	2015	200,319	Nil	Nil	185,432 ⁽⁶⁾	Nil	Nil	9,923	395,674
	2014	185,400	Nil	5,023 ⁽¹⁰⁾	47,688 ⁽⁷⁾	Nil	Nil	9,247	247,358
	2013	180,000	Nil	Nil	9,000 ⁽⁸⁾	Nil	Nil	8,833	197,833
Sharon Parker VP Corporate Resources	2015	102,045	Nil	Nil	94,461 ⁽⁶⁾	Nil	Nil	5,055 ⁽⁵⁾	201,561
	2014	93,987	Nil	5,023 ⁽¹⁰⁾	24,293 ⁽⁷⁾	Nil	Nil	4,699 ⁽⁵⁾	128,002
	2013	90,915	Nil	Nil	4,585 ⁽⁸⁾	Nil	Nil	4,551 ⁽⁵⁾	100,051

- (1) The option-based awards represent stock options granted in the covered year. The market price as defined in Part 1 of the TSX Company Manual was determined using the five-day volume weighted average trading price, which is calculated by dividing the total value by the total volume of securities traded for the relevant period. The fair value was determined in accordance with IFRS 2, *Share-based payments* using the Black-Scholes stock option pricing model with the following assumptions:
 - a. Risk-free interest rate: 1.0%
 - b. Expected volatility in the price of Shares: 42% (2013 – 43%)
 - c. Expected life of option: 5 years
 - d. Vesting schedule: 1/3 after 12 months, 1/3 after 24 months and 1/3 after 36 months
- (2) RRSPP: The Corporation matches RRSPP contributions made by employees. After one year of service up to 2% of their annual base salary is matched, after 5 years of service up to 5% is matched.
- (3) T.B. Investments Inc., a private corporation controlled by Terry Bergan, has entered into a services agreement with the Corporation for the provision of services to the Corporation.
- (4) AgriSpace Management Services Inc., a private corporation controlled by Randy Hanson, has entered into a services agreement with the Corporation for the provision of services to the Corporation.
- (5) Terry Bergan received no additional compensation as a result of serving in the capacity of director.
- (6) The following amounts were paid in 2015: Terry Bergan \$253,596, Randy Hanson \$202,546, David Cortens \$151,687 and Sharon Parker \$77,271; while the remaining balances were paid in 2016.
- (7) Paid in 2015.
- (8) Paid in 2014.
- (9) Sharon Parker received no additional compensation as a result of serving in the capacity of director.
- (10) These option-based awards were granted December 1, 2014 with the following vesting schedule: 1/3 upon grant, 1/3 after 12 months and 1/3 after 24 months.

No NEO who is also a Director of the Corporation is paid for their services as a Director.

Termination and Change of Control Benefits

The Corporation has entered into service agreements (each, a "Service Agreement") with T.B. Investments Inc. ("TBI") and AgriSpace Management Services Inc. ("AgriSpace"), for, respectively, the services of Terry Bergan and Randy Hanson. TBI is controlled by Terry Bergan and AgriSpace is controlled by Randy Hanson. Each Service Agreement provides that, in the event there is a termination of the particular Service Agreement for any reason, including a change of control of the Corporation, other than termination for cause, TBI or AgriSpace, as the case may be, would be entitled to twenty-four (24) months of compensation. In the event that either Service Agreement is terminated due to the contracting parties' inability to negotiate an extension, TBI or AgriSpace, as the case may be, shall be paid the equivalent of eighteen

(18) months compensation by the Corporation and shall be entitled to full benefits provided by the Corporation to its employees during the eighteen (18) month period following such termination.

The Corporation has employment agreements with David Cortens and Sharon Parker. The agreements provide that, in the event they are involuntarily terminated for any reason other than for cause, disability or retirement they would receive severance payments equaling eighteen (18) months compensation.

Non-Solicitation and Non-Competition

The Corporation has Non-Solicitation and Non-Competition agreements in place with all NEO's. The agreements are in place for a twelve month period after the termination of employment restricting work within the same industry covering the geographic area currently serviced by the Company.

Deferred Compensation Plans

The Corporation presently does not have any deferred compensation plans relating to its Named Executive Officers.

Part 5 – Corporate Governance

The Board and management believe that sound corporate governance practices are essential to the performance of the Corporation. The Corporation has in place corporate governance practices that are consistent with the requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP58-201**”).

The Corporation recognizes that its governance policies must evolve to respond to changes in the regulatory environment. The Corporation regularly reviews and adjusts its governance policies when need be, as regulatory changes come into effect and will continue to monitor these changes closely.

The following compares the Corporation’s corporate governance practices against NI58-101 and NP58-202 as required under Form 58-101F1 – *Corporate Governance Disclosure*.

Board Mandate

The Board has responsibility for the stewardship of the Corporation and for overseeing the operation of the business of the Corporation. It establishes the overall policies and standards for the Corporation. The directors are kept informed of the Corporation's operation at meetings of the Board and its committees and through reports and analyses and discussions with management. The Board also plays an oversight role with respect to the ethical framework of the organization. The Board satisfies itself on an ongoing basis as to the integrity of the CEO and other senior officers and ensures that the CEO and other senior officers create a culture of integrity throughout the Corporation.

The Board participates in and approves: the strategic planning process and the strategic plan, including corporate objectives which the CEO is responsible for meeting; the annual financial budget; and the quarterly and annual consolidated financial statements, Management Discussion & Analysis and related press releases.

The Board is responsible to ensure that management identifies the principal risks of the Corporation’s business and for the implementation of appropriate measures for dealing with and managing these risks.

The Board works with management to ensure that there is appropriate succession planning, including the appointment, training and monitoring of senior management in order to accomplish this goal.

The Board has established a written position description for the Chairman of the Board. The Board has adopted written mandates for each of the Audit, Corporate Governance Committee and Compensation Committee. The position description and written mandates for each committee can be found in the governance section of the Corporation’s website: www.irdinc.com

Through the Audit Committee, the Board has a means of assessing the strength of the Corporation's internal control and management information systems. The Audit Committee meets at least annually with the Corporation's independent auditors to review recommendations and requires progress reviews from management, all of which is considered by the Board annually. The Audit Committee is comprised of all independent directors.

The Board has appointed a Corporate Governance Committee which is comprised of three or four members, all of whom are independent directors. The Corporate Governance Committee is responsible for all matters relating to corporate governance. These responsibilities include recommending to the Board the adequacy and form of compensation to be paid to directors and recommending candidates for nomination, appointment, election and re-election to the Board and its committees, assessing Board performance, determining the most appropriate orientation and education program for Board members and ensuring that appropriate disclosure of corporate governance requirements is carried out. Directors may, in circumstances considered appropriate by the Board, engage in services of outside advisors at the Corporation's expense.

The Board has established a Compensation Committee. The process and guidelines for determining compensation for directors and officers is set forth in the written mandate of the Compensation Committee. The Compensation Committee is composed of four directors, each of whom is independent.

The Compensation Committee is responsible for recommending to the Board the adequacy and form of compensation to be paid to senior management, as well as all incentive compensation plans such as allocation of stock options. The Compensation Committee is responsible for reviewing executive compensation disclosure before it is publicly disclosed and for making recommendations to the Board with respect to CEO compensation which is based on established corporate goals and objectives, non-CEO compensation and incentive based compensation plans and equity based compensation plans.

No compensation consultant or advisor has been retained to assist in determining compensation for any of the officers or directors of the Corporation.

Board and Committee Meeting Attendance

The Chairman of the Board, in consultation with the Corporate Secretary, has the responsibility of establishing a schedule for the meetings of the Board and its committees each year, which is approved by the Board. Board and committee meeting dates are established sufficiently in advance to minimize conflict with the directors' schedules.

Directors are expected to make every reasonable effort to attend all meetings of the Board and its committees. During the 2015 financial year, all Directors attended at least 99% of Board and Committee Meetings.

The Chairman of the Board works with the CEO to establish the agenda for each Board meeting. The Chair of each committee determines the agenda for each committee meeting. Each Board member is free to suggest inclusion of items on any Board or committee agenda.

Number of Board and Committee Meetings

Board and Committee Meetings	Number of Meetings Held in 2015
Board	6
Audit Committee	4
Corporate Governance Committee	1
Compensation Committee	4

Number of Board and Committee Meetings Attended

Director	Board	Audit Committee	Corporate Governance Committee	Compensation Committee	Committees (Total)	Overall Attendance
Dr. A.T. Bergan	6/6 (100%)	-	-	-	0/0	6/6 (100%)
Terry Bergan	6/6 (100%)	-	-	-	0/0	6/6 (100%)
Sharon Parker	6/6 (100%)	-	-	-	0/0	6/6 (100%)
Ray Harris	6/6 (100%)	4/4 (100%)	1/1 (100%)	4/4 (100%)	9/9 (100%)	15/15 (100%)
Harvey Alton	6/6 (100%)	4/4 (100%)	1/1 (100%)	4/4 (100%)	9/9 (100%)	15/15 (100%)
Dr. C. Michael Walton	6/6 (100%)	4/4 (100%)	1/1 (100%)	3/4 (75%)	8/9 (89%)	14/15 (93%)
Ray Kolla ⁽¹⁾	3/3 (100%)	2/2 (100%)	n/a	3/3 (100%)	5/5 (100%)	8/8 (100%)

(1) Ray Kolla was appointed director on May 5, 2015

Outside Directors Meetings

The outside Directors meet formally and informally during the year to review the role of the Board and to ensure the Board functions independently of management. In fiscal 2015 the outside directors did not meet formally.

Other Board Committees

The Corporation has no standing committees other than the audit committee, compensation committee and corporate governance committee.

Board of Directors

The Board has determined that four directors are independent within the meaning of NI58-101. The four independent directors are Harvey Alton, Ray Harris, Ray Kolla, and Dr. C. Michael Walton.

Dr. A. T. Bergan, Terry Bergan and Sharon Parker are not considered to be independent under NI58-101. Dr. A. T. Bergan provides advisory and consulting services to the Corporation as well as serving as Chairman of the Board, Terry Bergan is the President and CEO and Sharon Parker is Corporate Secretary and the Vice-President, Corporate Resources of the Corporation.

Chairman of the Board

The Chairman of the Board is Dr. A.T. Bergan who is an inside related director.

Lead Outside Director

To ensure that the Board functions independently of management, the Board has appointed Ray Harris as lead outside director so as to facilitate the functioning of the Board independent of management. The lead outside director acts as the effective leader of the Board in the absence of the Chairman. The role and responsibilities of the lead outside director include the following:

- Be satisfied that the Board is alert to its obligations to the Corporation and to its shareholders;
- Maintain a liaison and communication with all members of the Board, and optimize the effectiveness of the Board and its committees;
- Be satisfied that the Board receives adequate and regular updates from the Chairman regarding all issues important to the welfare and future of the Corporation;
- In collaboration with the Chairman, be satisfied that information requested by members of the Board or committees of the Board is provided and meets their needs;
- Review conflicts of interest issues with respect to members of the Board as they arise; and
- Chair meetings of the outside directors.

Monitoring of the Strategic Plan and Risk Management

The Board meets with management annually for an in-person presentation for consideration of the upcoming years' strategic plan. The presentation includes a forecast of the performance against the current strategic plan and an update on risk management. The Board oversees the determination, execution and monitoring of the Corporation's strategic plan and risk management with quarterly meetings and monthly reports.

Succession Planning

The Board meets with the President and CEO once a year to review and discuss succession plans for the CEO and other executive officers. In addition, the Board regularly interacts with the Corporation's senior management team at events including lunch and conferences to build relationships with the people who represent the future of the Corporation.

Ever-Green List

A list of potential Board candidates for planned and unplanned vacancies is maintained through the form of an ever-green list. This list is updated and reviewed from time to time to ensure that the candidates are from a diverse professional and personal background.

Nomination of Directors

Presently, there is no dedicated nominating committee. The Corporate Governance Committee determines the competency and skills they consider necessary for the Board, as a whole to possess, as well as the skills the Corporate Governance Committee considers each existing director possesses.

The Corporate Governance Committee will then identify potential Board members from diverse professional and personal backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity which assessment will include consideration of diversity, gender, age, skills and experience in the context of the needs of the Board. Our Board includes one woman and its members collectively represent a wide variety of competencies. The Corporate Governance Committee then makes recommendations to the Board of the spectrum of nominees for election at the next annual meeting of the shareholders.

The Corporate Governance Committee has, as part of its mandate, the responsibility to establish criteria for the election and re-election of directors and thereby manages the director nomination process. The Corporate Governance Committee is composed entirely of independent directors.

One of the Corporate Governance Committee functions is to recommend to the Board new candidates for election to the Board. The Corporate Governance Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at the Corporation's expense.

The Corporation presently does not have any term limits for members of the Board and does not contemplate adopting any such limits in future.

Representation of Women

The Board recognizes the value of and importance of diversity, including gender, both at the Board level and within the Corporation as reflected in the Corporation's Corporate Governance Policies. The Corporation's overall goal is to maintain an effective Board with members representing a wide range of skills and experience to govern the Board. The same considerations apply to the Board's decisions regarding appointment of officers to the Corporation.

As of the date of this Circular, the Board membership includes one woman and one of the four NEOs of the Corporation is a woman.

At this time, the Board has not adopted any formal written policies or set any formal targets respecting the number of women on the Board or in officer positions within the Corporation. However, the Board is committed to ensuring adequate representation by women on both the Board and officer positions of the Corporation.

Orientation and Continuing Education

An orientation/strategic planning process has been adopted by the Board in consultation with the Corporate Governance Committee. The objectives of the orientation program is to ensure that any new directors fully understand the role of the Board and its committees, the contribution individual directors are expected to make and the nature and operation of the Corporation's affairs.

The orientation program includes presentations by the Corporation's officers on the Corporation's organizational structure and the nature and operation of its business, a review of the methods of operation and the roles of the Board and its committees, a discussion of the contribution individual directors are expected to make and access to appropriate information or outside resources as required. New directors are provided information required to familiarize themselves with the Corporation, its organization and operations.

There is no formal program of continuing education for the directors. Directors are encouraged to participate in continuing education as they see fit in both industry and board related topics. The Corporation provides education sessions to the Board during the year.

Ethical Business Conduct

The Board has developed a Code of Business Conduct (the "**Code**") which has been acknowledged by all members of the executive of the Corporation and has been distributed throughout the Corporation.

The Code is available on the Corporation's website www.irdinc.com, or upon request to the Corporation at the following email address: irdir@irdinc.com.

The Board does not monitor compliance with the Code; however, the Corporation expects that its officers will adhere to the highest ethical standards in all of the Corporation's business activities. The Corporation's officers are expected to deal fairly with security holders, customers, suppliers and competitors. All directors, officers, employees and consultants are encouraged to report violations of the Code in accordance with the procedures set forth in the Corporation's Concerns and Complaints Reporting Policy, which provides for the prompt reporting of any violations to the Compliance Officer.

No material change reports have been filed since the beginning of the Corporation's most recently completed financial year that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

Each director must disclose all actual or potential conflicts of interest and refrain from voting on matters in which such director has a conflict of interest. Additionally, the director must excuse himself from any discussion or decision on any matter in which the director is precluded from voting as a result of a conflict of interest.

The Corporation has adopted a communication policy in compliance with the disclosure standards as detailed in National Policy 51-201 – *Disclosure Standards*. This communication policy ensures that information regarding its activities is provided in a timely manner to the Corporation's shareholders and others through news releases and the distribution of quarterly and annual reports. The Corporation responds through its appointed officers to inquiries arising from these communications.

The Board has also reviewed and approved the Concerns and Complaints Reporting Policy, to promote, among other things, the disclosure and reporting of any questionable accounting or auditing matters, fraudulent or misleading financial information, and violations of the Code of Business Conduct.

Part 6 – General Information

Securities Authorized for Issuance under Equity Compensation Plans

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding company options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	1,376,500	\$0.79	130,665
Equity plans not approved by securityholders	Nil	Nil	Nil
Total	1,376,500	\$0.79	130,665

The Corporation has a stock option plan which was instituted in 1997 and approved by the Corporation's shareholders (the "**1997 Stock Option Plan**"), as amended. As discussed, the Board believes that it is of critical importance that Shares be made available to key personnel in order to carry out the Corporation's compensation strategy. This strategy is weighted toward Share ownership which, in the Board's view aligns the interests of employees with that of all shareholders. All employees are encouraged to become shareholders in the Corporation. Pursuant to the 1997 Stock Option Plan, the Board may allocate non-transferable options to purchase Shares of the Corporation to executives, employees and consultants of the Corporation or any of its affiliates (an "**Eligible Person**"). Options may alternatively be granted to a corporation controlled by an Eligible Person.

The 1997 Stock Option Plan presently has a fixed maximum limit of 3,500,000 Shares. As of March 14, 2016, 1,992,835 shares have been issued and 1,376,500 options are outstanding. 130,665 options are available for future issuance.

Options granted pursuant to the 1997 Stock Option Plan will have an exercise price equal to or greater than either the closing sale price of the Shares on those stock exchanges on which the Shares are listed and posted for trading on the trading day immediately preceding the day the option is granted or in the event that such Shares did not trade on such trading day, the average of the bid and ask prices in respect of such Shares at the close of trading on such trading day.

Under the 1997 Stock Option Plan, at the time of granting the options, the aggregate number of Shares to be delivered upon the exercise of all options granted thereunder and the aggregate number of Shares to be delivered upon the exercise of the options to any one individual granted thereunder may not exceed the maximum of number permitted by any stock exchange on which the Shares may be listed or other regulatory body having jurisdiction.

The term of each option and the extent to which each option is exercisable from time to time during the term of the option is determinable by the Board. Unless otherwise agreed, and subject to any express resolution passed by the Board with respect to an option, an option and all rights to purchase Shares pursuant thereto shall expire and terminate immediately upon the optionee holding such option ceasing to be an Eligible Person under the 1997 Stock Option Plan.

No financial assistance is provided to an optionee by the Corporation to facilitate the acquisition of Shares, save for the compensation otherwise payable to an optionee in accordance with services rendered to the Corporation as an Eligible Person.

The Board may amend the 1997 Stock Option Plan at any time, provided, however, that no such amendment may materially and adversely affect any option previously granted to an optionee without the consent of the optionee, except to the extent required by law. Any such amendment shall, if required, be subject to the prior approval of, or acceptance by, any stock exchange on which the Shares are listed and posted for trading and shall be subject to ratification by the shareholders of the Corporation to be effected by the resolution passed by the shareholders of the Corporation.

The following table sets forth the options currently held by executives, directors and employees of the Corporation and options granted the respective groups in the most recently completed financial year and the first quarter of 2016:

	Options Presently Held	Options Granted during financial year ending November 30, 2015 and the first quarter of 2016.
Executive Officers	1,041,500	300,000
Directors	-	-
Employees	305,000	-
Consultants	30,000	30,000

Director and Officer Shareholdings

The total aggregate Shares held by officers and directors is 2,143,845 shares representing 14.6% of the Corporation's issued and outstanding Shares.

Indebtedness of Directors and Executive Officers

During the 2015 fiscal year, no director, executive officer or senior officer of the Corporation, nor any associate as defined in applicable laws thereof, was indebted to the Corporation or any of its subsidiaries nor was any indebtedness of any such person to another entity the subject of a guarantee, support agreement as defined by Form 51-102F5 – *Information Circular*, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

Directors and Officers Insurance

Directors and officers insurance has been obtained for the directors and officers of the Corporation and its subsidiaries with a policy limit of \$5,000,000 aggregate per policy year. Under this insurance coverage, the Corporation would be reimbursed for indemnity payments made on behalf of its directors and officers subject to a deductible of \$25,000 per occurrence. Individual directors and officers would be reimbursed for losses arising during the performance of their duties for which they are not indemnified by the Corporation. The total premium paid by the Corporation for directors' and officers' liability insurance during the year ending November 30, 2015 was \$25,200.

Interest of Informed Persons in Material Transactions

No informed persons of the Corporation, director or any associate or any informed person or proposed director has any material interest, direct or indirect in any transaction in the last fiscal year which is material to the Corporation.

Management Contracts

The management functions of the Corporation are performed by directors, executive officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted. In 2015, Dr. A. T. Bergan, of Saskatoon, Saskatchewan, Chairman and a director of the Corporation (through A.T. Bergan Holdings Ltd.), was retained to provide advisory and consulting services to the Corporation. Dr. Bergan was paid \$90,000 for his services plus reimbursement of his reasonable expenses incurred while working on behalf of the Corporation.

Other Matters

Management knows of no amendment, variation or other matters to come before the meeting other than the matters referred to in the Notice of Annual Meeting. However, if any other matters properly come before the meeting, the accompanying proxies will be voted on such matters in accordance with the best judgement of the person or persons voting the Proxy.

Availability of Documents

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. A comprehensive description of the Corporation and its business as well as a summary of the risk factors applicable to the Corporation are set out in the Corporation's latest available copies of the Annual Information Form, and any document, incorporated by reference in the current Annual Information Form. The Corporation's financial information is included in its audited consolidated financial statements and in its annual management discussion and analysis for the fiscal year ended November 30, 2015. The Corporation's most recently filed annual consolidated financial statements, together with the accompanying report of the auditor, and any of the Corporation's interim condensed consolidated financial statements that have been filed for any period after the end of the Corporation's most recently completed financial year, annual and interim management discussion and analysis and this Information Circular are available to anyone, upon request, (without charge to shareholders of the Corporation) and are also available on SEDAR at www.sedar.com.

The foregoing contains no untrue statements of a material fact and does not omit to state a material fact which is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED at the City of Saskatoon, in the Province of Saskatchewan, the 14th day of March, A.D. 2016.



Terry Bergan,
President and Chief Executive Officer

Amended Stock Option Plan

Preamble:

International Road Dynamics Inc. (the "Corporation") proposes to implement a share option plan pursuant to which options may be issued to directors, officers, employees and service providers of the Corporation. The Plan has been approved by the directors of the Corporation.

1. Purpose of the Plan

- 1.1 The Board of Directors of the Corporation believe that it is of critical importance that Common Shares be made available under its Stock Option Plan in order to carry out the Corporation's compensation strategy. This strategy is significantly weighted toward common share ownership which aligns the interests of employees with that of all shareholders. The Corporation's compensation policies are founded on the principle that executive and employee compensation should be consistent with shareholders' interests and therefore the compensation strategy is weighted toward a stock ownership compensation strategy. The objectives of the program are to attract and retain a high quality management and employee team and to motivate performance by tying a portion of the compensation to improvement in the Corporation's long-term financial success, measured in terms of share value and to encourage all employees to become shareholders. The Share Option Plan is designed to motivate executives and employees to focus on the long-term interests of the Corporation and its shareholders.

2. Defined Terms

Where used herein, the following terms shall have the following meanings, respectively:

- 2.1 "Affiliate" means any corporation which is an affiliate, as such term is defined in subsection 2(1) of the *Canada Business Corporations Act*, of the Corporation;
- 2.2 "Award Date" means the date on which the Board awards a particular Option;
- 2.3 "Blackout Period" means, in respect of an Optionee, a period during which such Optionee is prohibited from trading in securities of the Corporation pursuant to applicable Securities Laws or any existing policy of the Corporation;
- 2.4 "Board" means the Board of Directors of the Corporation or, if established and duly authorized to act, the Executive Committee of the Board of Directors of the Corporation;
- 2.5 "Change of Control" means the occurrence of one or more of the following events:

- a. individuals who, as of the date of this Agreement, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of such Board, provided that any person becoming a director after the date of this Agreement and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board shall be an Incumbent Director; provided, however, that no individual initially elected as a director of the Corporation as a result of an actual or threatened election contest with respect to the election or removal of directors ("Election Contest") or other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board, including by reason of any agreement intended to avoid or settle any Election Contest or proxy contest, shall be deemed an Incumbent Director;

- b. any change in the holding, direct or indirect, of shares in the capital of the Corporation as a result of which a person or group of persons acting jointly or in concert, or person associated or affiliated with any such person or group within the meaning of the *Securities Act* (Ontario), becomes the beneficial owner, directly or indirectly, of shares and/or other securities in excess of the number which, directly or following conversion thereof, would entitle the holders thereof to cast more than 25% of the votes attaching to all shares of the Corporation which may be cast to elect directors of the Corporation (the "Corporation Voting Securities"); provided, however, that the event described in this paragraph (b) shall not be deemed to be a Change of Control by virtue of any of the following acquisitions of Corporation Voting Securities:
 - i. by the Corporation or any subsidiary;
 - ii. by any employee benefit plan sponsored or maintained by the Corporation or any subsidiary;
 - iii. by any underwriter temporarily holding securities pursuant to an offering of such securities;
 - iv. pursuant to a Non-Qualifying Transaction (as defined in paragraph (c)); or
 - v. from the Corporation pursuant to a transaction (other than one described in paragraph (c) below), if a majority of the Incumbent Directors approve a resolution providing expressly that the acquisition pursuant to this clause (v) shall not constitute a Change of Control under this paragraph (b);

- c. the consummation of a merger, consolidation, share exchange or similar form of corporate transaction involving the Corporation or any of its subsidiaries (a "Business Combination"), unless immediately following such Business Combination:
 - i. Corporation Voting Securities that were outstanding immediately prior to the consummation of such Business Combination (or, if applicable, securities into or for which such Corporation Voting Securities were converted or exchanged pursuant to such Business Combination) represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees ("voting power") of (A) the entity resulting from such Business Combination (the "Surviving Entity"), or (B) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of 100% of the voting securities eligible to elect directors of the Surviving Entity (the "Parent Entity");

- ii. no person (other than any employee benefit plan sponsored or maintained by the Surviving Entity or the Parent Entity) is the beneficial owner, directly or indirectly, of 25% or more of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity); or
 - iii. at least a majority of the members of the board of directors of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) were Incumbent Directors at the time of the Board's approval of the execution of the initial agreement providing for such Business Combination (any Business Combination which satisfies all of the criteria specified in (i), (ii) and (iii) above shall be deemed to be a "Non-Qualifying Transaction");
- d. the approval by directors or shareholders of the Corporation of a complete liquidation or dissolution of the Corporation;
- e. a sale or other disposition of all or substantially all of the property or assets of the Corporation, other than to an affiliate within the meaning of the *Securities Act* (Ontario) or pursuant to a Non-Qualifying Transaction; or
- f. any determination by the majority of Incumbent Directors of the Corporation that a Change of Control has occurred.

2.6 "Committee" shall have the meaning attributed thereto in Section 3.1 hereof;

2.7 "Corporation" means International Road Dynamics Inc. and includes any successor corporation thereof;

2.8 "Effective Date" means May 11, 2016;

2.9 "Eligible Person" means:

- a. any director, officer or employee of the Corporation or any Affiliate, or any other Service Provider (an "Eligible Individual"); or
- b. a corporation controlled by one or more Eligible Individuals, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Individuals and/or the spouse, minor children and/or minor grandchildren of such Eligible Individuals (an "Employee Corporation");

2.10 "Expiry Date" means the date determined in accordance with this Stock Option Plan and after which a particular Option cannot be exercised;

2.11 "Insider" means any reporting insider, as defined in *National Instrument 55-104 – Insider Reporting Requirements and Exemptions*;

- 2.12 "Market Price" means, as at any date, the volume weighted average trading price of the Shares on the TSX (or any other stock exchange on which the majority of the volume of trading of the Shares has occurred over the relevant period) over the five (5) trading days immediately preceding such date, calculated by dividing the total value of all trades occurring on such days by the total volume of Shares so traded during such days, subject to any conditions or restrictions imposed by the TSX;
- 2.13 "Option" means an option to purchase Shares granted to an Eligible Person under the Plan;
- 2.14 "Option Price" means the price per Share at which Shares may be purchased under an Option, as the same may be adjusted from time to time in accordance with Article 8 hereof; provided, however, that in no case will the Option Price be less than either of (i) the Market Price of the Shares as of the Award Date, or (ii) the minimum prescribed by the TSX or any other applicable stock exchange as of the relevant Award Date;
- 2.15 "Optioned Shares" means the Shares issuable pursuant to an exercise of Options;
- 2.16 "Optionee" means an Eligible Person to whom an Option has been granted and who continues to hold such Option;
- 2.17 "Plan" means the International Road Dynamics Stock Option Plan, as the same may be further amended or varied from time to time;
- 2.18 "Section 409A" means Section 409A of the US Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder as in effect from time to time;
- 2.19 "Securities Laws" means securities legislation, securities regulations and securities rules, as amended, and the policies, notices, instruments and orders in relation thereto in force from time to time that are applicable to the Corporation;
- 2.20 "Service Provider", as set out in section 613 of the TSX Company Manual, means a person or company engaged by the Corporation to provide services for an initial, renewable or extended period of twelve (12) months or more.
- 2.21 "Share Compensation Arrangement" means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of shares to one or more Service Providers, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guaranty or otherwise;

2.22 "Shares" means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 8 hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;

2.23 "Subsidiary" means any corporation which is a subsidiary of the Corporation for the purposes of the *Canada Business Corporations Act*; and

2.24 "TSX" means the Toronto Stock Exchange.

3. Administration of the Plan

3.1 The Plan shall be administered by the Board or by any committee (the "Committee") of the Board established by the Board for that purpose.

3.2 The Board or Committee shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:

- a. to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
- b. to interpret and construe the Plan and to determine all questions arising out of the Plan or any Option, and any such interpretation, construction or determination made by the Committee shall be final, binding and conclusive for all purposes;
- c. to determine the number of Shares covered by each Option;
- d. to determine the Option Price of each Option;
- e. to determine the time or times when Options will be granted and exercisable;
- f. to determine, in addition to the conditions of exercise set out in Article 7, or otherwise, any other conditions precedent respecting the exercise of the Options;
- g. to determine if the Shares which are issuable on the exercise of an Option will be subject to any restrictions upon the exercise of such Option; and
- h. to prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

3.3 The Board or the Committee may, in its discretion, require as conditions to the grant or exercise of any Option that the Optionee shall have:

- a. represented, warranted and agreed in form and substance satisfactory to the Corporation that he or she is acquiring and will acquire such Option and the Shares to be issued upon the exercise thereof or, as the case may be, is acquiring such Shares, for his or her own account, for investment and not with a view to or in connection with any distribution, that he or she has had access to such information as is necessary to enable him or her to evaluate the merits and risks of such investment and that he or she is able to bear the economic risk of holding such Shares for an indefinite period;

- b. agreed to restrictions on transfer in form and substance satisfactory to the Corporation and to an endorsement on any option agreement or certificate representing the Shares making appropriate reference to such restrictions; and
- c. agreed to indemnify the Corporation in connection with the foregoing.

3.4 Any Option granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation determines that the listing, registration or qualification of the Shares subject to such Option upon any securities exchange or under any law or regulation of any jurisdiction, or the consent or approval of any securities exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant or exercise of such Option or the issuance or purchase of Shares thereunder, such Option may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval has been effected or obtained on conditions acceptable to the Board or the Committee. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.

4. Shares Subject to the Plan

4.1 Options may be granted in respect of authorized and unissued Shares, provided that the aggregate number of Shares reserved for issuance upon the exercise of all Options granted under the Plan, subject to any adjustment of such number pursuant to the provisions of Article 8 hereof, shall not exceed 5,500,000 Shares or such greater number of Shares as may be determined by the Board and approved, if required, by the shareholders of the Corporation and by any relevant stock exchange or other regulatory authority. Optioned Shares in respect of which Options are not exercised shall be available for subsequent Options. No fractional Shares may be purchased or issued under the Plan.

5. Eligibility; Grant; Terms of Options

5.1 Options may be granted by the Board to any Eligible Person.

5.2 Subject as herein and otherwise specifically provided in this Article 5, the number of Shares subject to each Option, the Option Price of each Option, the Expiry Date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board. The Board or the Committee may, in their entire discretion, subsequent to the time of granting Options hereunder, permit an Optionee to exercise any or all of the unvested options then outstanding and granted to the Optionee under this Plan, in which event all such unvested Options then outstanding and granted to the Optionee shall be deemed to be immediately exercisable during such period of time as may be specified by the Board or the Committee.

- 5.3 Notwithstanding anything contained herein, in no case will an Option be exercisable later than the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Optionee; provided, however, that if the term of an Option expires during a Blackout Period or within 10 business days after the date on which the Blackout Period ends, then the term of such Option shall be extended to the date which is 10 business days after such date on which the Blackout Period ends. In no case shall an Option held by a U.S. Optionee be exercisable later than (i) the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Optionee and (ii) the end of the calendar year in which such Expiry Date falls.
- 5.4 Subject to any adjustments pursuant to the provisions of Article 8 hereof, the Option Price of any Option shall in no circumstances be lower than the Market Price on the date on which the grant of the Option is approved by the Board. If, as and when any Shares have been duly purchased and paid for under the terms of an Option, such Shares shall be conclusively deemed allotted and issued as fully paid non-assessable Shares at the price paid therefor.
- 5.5 The Expiry Date of any Option shall not be later than the tenth (10th) anniversary of the Award Date of such Option.
- 5.6 No Options shall be granted to any Optionee if the total number of Shares issuable to such Optionee under this Plan, together with any Shares reserved for issuance to such Optionee under options for services or any other stock option plans, would exceed 5% of the issued and outstanding Shares.
- 5.7 An Option is personal to the Optionee and non-assignable (whether by operation of law or otherwise), except as provided for herein. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of an Option contrary to the provisions of the Plan, or upon the levy of any attachment or similar process upon an Option, the Option shall, at the election of the Corporation, cease and terminate and be of no further force or effect whatsoever.
- 5.8 No Options shall be granted to any Optionee if such grant could result, at any time, in:
- a. the number of Shares issuable to Optionees of the Corporation, at any time, under the plan or when combined with all of the Corporation's other security based compensation arrangements, exceeds 10% of the Corporation's total issued and outstanding Shares;
 - b. the number of Shares issuable to Insiders of the Corporation, at any time, under the plan or when combined with all of the Corporation's other security based compensation arrangements, exceeds 10% of the Corporation's total issued and outstanding Shares;
 - c. the number of Shares issued to Insiders pursuant to Options, other stock options or other security based compensation arrangements, within a one-year period, exceeds 10% of the Corporation's total issued and outstanding Shares; or
 - d. the issuance to any one Insider and such Insider's associates, within a one-year period, of a number of Shares exceeding 5% of the Corporation's issued and outstanding Shares.

For the purpose of Subsection 5.8(d), "associate" means any person associated with such Insider within the meaning of the *Securities Act* (Ontario).

6. Termination of Employment; Death

- 6.1 Subject to Sections 6.2 and 6.3 hereof and to any express resolution passed by the Committee or the Board with respect to an Option, an Option and, if so provided in the written option agreement itself, all rights to purchase Shares pursuant thereto shall expire and terminate immediately upon the Optionee who holds such Option ceasing to be an Eligible Person.
- 6.2 The Committee or the Board may, in their entire discretion, at the time of the granting of Options hereunder, determine that provisions to the following effect shall be contained in the written option agreement between the Corporation and the Optionee:
- a. If an Optionee shall retire, or terminate his employment or directorship with the consent of the Board under circumstances equating to retirement, while holding an Option which has not been fully exercised, such Optionee may exercise the Option at any time within six (6) months of the date of such retirement or termination equating to retirement, but only to the same extent to which the Optionee could have exercised the Option immediately before the date of such retirement or termination equating to retirement.
 - b. If an Optionee ceases to serve the Corporation or any Affiliate as the case may be, as an employee, officer or director for cause, no Option held by such Optionee may be exercised following the date on which such Optionee ceases to serve the Corporation or any Affiliate, as the case may be, in such capacity. If an Optionee ceases to serve the Corporation or any Affiliate as an employee, officer or director for any reason other than for cause, unless otherwise provided for in this Plan, no Option held by such Optionee at the effective date thereof may be exercised by the Optionee following the date which is thirty (30) days after the date on which the Optionee ceases to serve the Corporation or any Affiliate, as the case may be, in such capacity.
 - c. In the event that an Optionee commits an act of bankruptcy or any proceeding is commenced against the Optionee under the *Bankruptcy and Insolvency Act* (Canada) or other applicable bankruptcy or insolvency legislation in force at the time of such bankruptcy and such proceeding remains undismissed for a period of thirty (30) days, no Option held by such Optionee may be exercised following the date on which such Optionee commits such act of bankruptcy or such proceeding remains undismissed, as the case may be.
 - d. If an Optionee dies holding an option which has not been fully exercised, his personal representatives, heirs or legatees may, at any time within one year from the date of grant of probate of the will or letters of administration of the estate of the decedent or within one year after the date of such death, whichever is the lesser time, exercise the Option with respect to the unexercised balance of the Shares subject to the Option but only to the same extent to which the decedent could have exercised the Option immediately before the date of such death.
- 6.3 Notwithstanding anything contained herein to the contrary, nothing contained in this Article 6 shall be interpreted as extending the date for exercising any Option past the original expiry date of such Option.

- 6.4 For greater certainty, Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director of the Corporation provided that the Optionee continues to be an Eligible Person.
- 6.5 For the purposes of this Article 6, a determination by the Corporation that an Optionee was discharged for "cause" shall be binding on the Optionee.
- 6.6 If the Optionee is an Employee Corporation, the references to the Optionee in this Article 6 shall be deemed to refer to the Eligible Individual associated with the Employee Corporation.

7. Exercise of Options

- 7.1 Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Corporation at its registered office of a written notice of exercise addressed to the Secretary of the Corporation specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full, by cash or certified cheque, of the Option Price of the Shares then being purchased. Subject to any provisions of the Plan to the contrary, certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.
- 7.2 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Shares to an Optionee pursuant to the exercise of any Option shall be subject to:
- a. completion of such registration or other qualification of such Shares or obtaining approval of such governmental or regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
 - b. the admission of such Shares to listing on any stock exchange on which the Shares may then be listed;
 - c. the receipt from the Optionee of such representations, warranties, agreements and undertakings, as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction; and
 - d. the satisfaction of any conditions on exercise prescribed pursuant to Article 3 hereof.
- 7.3 Options shall be evidenced by a share option agreement, instrument or certificate executed by the Corporation and by the Optionee, in such form not inconsistent with this Plan as the Committee or the Board may from time to time determine provided that the substance of Article 5 be included therein.
- 7.4 Notwithstanding anything contained herein to the contrary, the Board, or a committee thereof, may issue options in accordance with this Plan which options may not be immediately exercisable, but may vest at predetermined dates to be determined by the Board, or a committee thereof in its unfettered discretion.
- 7.5 Notwithstanding anything contained herein to the contrary, all Optioned Shares issued hereunder shall be deemed to be vested and exercisable immediately in the event of a Change of Control.

8. Certain Adjustments

- 8.1 In the event that the Shares are at any time changed or affected as a result of the declaration of a stock dividend thereon or their subdivision or consolidation, the number of Shares reserved for Option shall be adjusted accordingly by the Board or the Committee to such extent as they deem proper in their discretion. In such event, the number of, and the price payable for, any Shares that are then subject to Option may also be adjusted by the Board or the Committee to such extent, if any, as they deem proper in their discretion.
- 8.2 If at any time after the grant of an Option to any Optionee and prior to the expiration of the term of such Option, the Shares are reclassified, reorganized or otherwise changed, otherwise than as specified in Section 8.1 or, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the "Successor Corporation") the Optionee shall be entitled to receive upon the subsequent exercise of his or her Option in accordance with the terms hereof and shall accept in lieu of the number of Shares to which he or she was therefore entitled upon such exercise but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class and/or other securities of the Corporation or the Successor Corporation (as the case may be) and/or other consideration from the Corporation or the Successor Corporation (as the case may be) that the Optionee would have been entitled to receive as a result of such reclassification, reorganization or other change or as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change or the effective date of such consolidation, merger or amalgamation, as the case may be, he or she had been the registered holder of the number of Shares to which he or she was therefore entitled upon such exercise.

9. Amendment or Discontinuance of the Plan

- 9.1 The Board reserves the right to amend, modify or terminate the Plan or Options granted under the Plan at any time if and when it is considered advisable in the discretion of the Board. However, shareholder approval shall be required in respect of:
- a. any amendment to the number of Shares (or other securities) issuable under the Plan, including amendments to increase any of the limits on the number of Options that may be granted as set out in Section 4.1;
 - b. any amendment which reduces the Option Price of an Option (including by cancelling and reissuing stock options);
 - c. any amendment to the transferability or assignability of an Option, except as otherwise permitted by the Plan;
 - d. any amendment extending the term of an Option beyond its original Expiry Date, except as otherwise permitted by the Plan;
 - e. any expansion of the scope of persons eligible to participate in the Plan to include non-employee directors; and
 - f. amendments required to be approved by shareholders under applicable law.

Where shareholder approval is sought for amendments under clauses (b) and (d) above, the votes attached to Shares held directly or indirectly by Optionees who would benefit from the amendment will be excluded. Other than as specified above, the Board may approve all other amendments to the Plan or Options granted under the Plan in its discretion without shareholder approval. Without limiting the generality of the foregoing, the following types of amendments would not require shareholder approval:

- a. amendments of a "housekeeping" or ministerial nature, including, without limitation, any amendment for the purpose of curing any ambiguity, error or omission in the Plan or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- b. amendments necessary to comply with the provisions of applicable law (including, without limitation, the rules of the TSX or any other applicable stock exchange);
- c. any amendment which increases the Option Price of an Option;
- d. any expansion of the definition "Eligible Person" in Section 2.9 other than to non-employee directors;
- e. amendments respecting administration of the Plan;
- f. any amendment to the vesting provisions of the Plan or any Option;
- g. any amendment to the early termination provisions of the Plan or any Option, whether or not such Option is held by an Insider, provided such amendment does not entail an extension beyond the original Expiry Date of such Option; and
- h. amendments necessary to suspend or terminate the Plan.

9.2 The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Optionee pursuant to any Option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Plan.

10. Miscellaneous Provisions

10.1 An Optionee shall not have any rights as a shareholder of the Corporation with respect to any of the Shares covered by such Option until the date of issuance of a certificate for Shares upon the exercise of such Option, in full or in part, and then only with respect to the Shares represented by such certificate or certificates. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued.

10.2 Nothing in this Plan or any Option shall confer upon an Optionee any right to continue or be re-elected as a director of the Corporation or any right to continue in the employ of the Corporation or any Affiliate, or affect in any way the right of the Corporation or any Affiliate to terminate his or her employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate, to extend the employment of any Optionee beyond the time which he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate or any present or future retirement policy of the Corporation or any Affiliate, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.

- 10.3 Options may be transferred or assigned between an Eligible Individual and an Employee Corporation, provided the Eligible Individual is a shareholder of the Employee Corporation, and further provided the assignor delivers notice to the Corporation prior to the assignment and the Committee or the Board approves such assignment.
- 10.4 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.
- 10.5 If the Optionee is a resident or citizen of the United States Of America at the time of the exercise of the Option, the certificate(s) representing the Optioned Shares will be endorsed with the following or a similar legend: "The shares represented by this Certificate have not been registered under the Securities Act of 1933, as amended, of the United States of America (the "Act") or the securities laws of any state ("State") of the United States of America and may not be sold, transferred, pledged, hypothecated or distributed, directly or indirectly, to a U.S. person (as defined in Regulation S adopted by the U.S. Securities And Exchange Commission under the Act) or within the United States unless such shares are (i) registered under the Act and any applicable State securities act (a "State Act"), or (ii) exempt from registration under the Act and any applicable State Act and the Company has received an opinion of counsel to such effect reasonably satisfactory to it, or (iii) sold in accordance with Regulation S and the Company has received an opinion of counsel to such effect reasonably satisfactory to it."
- 10.6 It is intended that the provisions of the Plan comply with Section 409A, and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to or for the benefit of a U.S. Optionee may not be reduced by, or offset against, any amount owing by the U.S. Optionee to the Corporation or any of its affiliates. Notwithstanding anything in the Plan to the contrary, if a U.S. Optionee becomes entitled to receive payment in respect of any Options as a result of his or her "separation from service" (within the meaning of Section 409A), and the U.S. Optionee is a "specified employee" (within the meaning of Section 409A) at the time of his or her separation from service, and the Board makes a good faith determination that (i) all or a portion of the Options constitute "deferred compensation" (within the meaning of Section 409A) and (ii) any such deferred compensation that would otherwise be payable during the six-month period following such separation from service is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then payment of such "deferred compensation" shall not be made to the U.S. Optionee before the date which is six months after the date of his or her separation from service (and shall be paid in a single lump sum on the first day of the seventh month following the date of such separation from service) or, if earlier, the U.S. Optionee's date of death; in such event, the lump sum payment will be equal to the number of Options credited to the U.S. Optionee's account multiplied by the difference between the Option Price and the Market Price as of the expiration of such six-month period or the date of death.

Notwithstanding any provision of the Plan to the contrary, in the event that the Board determines that an amounts payable hereunder will be taxable to a U.S. Optionee under Section 409A prior to payment to such U.S. Optionee of such amount, the Corporation may (i) adopt such amendments to the Plan and Options and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Board determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Options hereunder and/or (ii) take such other actions as the Board determines necessary or appropriate to avoid or limit the imposition of an additional tax under Section 409A.

11. Shareholder and Regulatory Approval

11.1 The Plan (and any amendments thereto) shall be subject to ratification by the shareholders of the Corporation to be effected by a resolution passed by the shareholders of the Corporation, and to acceptance by any relevant regulatory authority. Any Options granted prior to such ratification and acceptance shall be conditional upon such ratification and acceptance being given and no such Options may be exercised unless and until such ratification and acceptance are given.

12. Date of Plan

The Plan (and any amendments thereto) shall be effective, subject to Article 11, as of the Effective Date and unless amended, shall continue in full force and effect in each and every year.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "T. Bergan", with a period at the end.

Terry Bergan
President & CEO
International Road Dynamics Inc.

