

ZECOTEK PHOTONICS INC.

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of **Zecotek Photonics Inc.** (the “Company” or “ZMS”) for use at the Annual General Meeting (the “Meeting”) of the shareholders of the Company to be held on Friday, December 29, 2017 at the time and place and for the purposes set forth in the accompanying notice of meeting. Unless otherwise indicated, the information contained in the Circular is given as at November 24, 2017 and all dollar amounts set forth are expressed in Canadian dollars.

PROXIES AND VOTING RIGHTS

Solicitation of Proxies

It is expected that solicitations of proxies will be made primarily by mail and possibly supplemented by telephone or other personal contact by directors, officers and employees of the Company without special compensation. The Company may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the costs incurred in obtaining authorization to execute forms of proxies from their principals. The costs of solicitation will be borne by the Company.

Appointment of Proxies

The persons named in the accompanying form of proxy are nominees of the Company’s management. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person (who need not be a shareholder) to attend and act in your behalf, either by striking out the two printed names and inserting the name of your nominee in the blank space provided, or by completing another form of proxy.**

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder’s attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or an attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, or to the Company at the address set forth above, by mail or fax by 10:00 a.m. (Vancouver time) on December 27, 2017 or at least 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting is to be reconvened after any adjournment of the Meeting.

Revocation of Proxies

A shareholder who has given a proxy may revoke it at any time before the proxy is exercised by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder’s authorized attorney in writing or, if the shareholder is a corporation a duly authorized officer or attorney of the corporation, and by delivering the proxy bearing a later date to Computershare Trust Company or the registered office of the Company at Suite 1000-595 Burrard Street, Vancouver, BC, V7X 1S8 at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it, or delivered to the Chair of the Meeting on the day of the Meeting or any adjournment of it, or
- (b) personally attending the Meeting and voting the registered shareholder’s Shares.

A revocation of a proxy will not affect any matter on which a vote is taken prior to the revocation.

Registered Shareholders

If you are a registered shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. If you submit a proxy, you must complete, date and sign the Proxy, and then return it to the Company's transfer agent, Computershare Trust Company of Canada by fax within North America at 1-866-249-7755, outside North America at (416) 263-9524, or by mail or by hand delivery at 9th floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting or the adjournment thereof at which the Proxy is to be used.

Non-Registered Shareholders

Only registered shareholders, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. Shareholders who do not hold their shares in their own names (referred to herein as "Non-Registered Shareholders") are advised that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Shares).

If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Shares will not be registered in the shareholder's name on the record of the Company. Such Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for the Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Non-Registered Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Non-Registered Shareholder:

You should carefully follow the instructions of your broker or intermediary in order to ensure that your shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communication Services ("ADP") in the United States and in Canada. ADP mails a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to ADP by mail or facsimile or given to ADP by phone or over the internet, in accordance with ADP's instructions. ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **If you receive a voting instruction form from ADP, you cannot use it to vote Shares directly at the Meeting – the voting instruction form must be completed and returned to ADP, in accordance with its instructions, well in advance of the Meeting in order to have the Shares voted.**

Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of your broker, you may attend at the Meeting as proxyholder for your broker and vote your Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Shares as proxyholder for your broker, you should enter your own name in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you or your nominee to attend at the Meeting and vote your Shares.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Board of Directors of the Company has fixed November 24, 2017 as the record date for the determination of persons entitled to receive notice of the Meeting. Only shareholders of the Company who are listed on its Central Securities Register at the close of business on the date of record are entitled to vote at the Meeting or any adjournment of the Meeting (see “Voting by Proxyholders” above).

As of November 24, 2017, the Company had 143,030,148 common shares issued and outstanding, each carrying the right to one vote.

To the knowledge of the directors and executive officers of the Company, no persons or companies beneficially owned, directly or indirectly, or exercised control over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company.

BUSINESS TO BE TRANSACTED AT THE MEETING

1. Set Number of Directors

At the Meeting, shareholders will be asked to fix the number of directors elected at the Meeting at three.

2. Election of Directors

For the upcoming fiscal year, the Company’s Board of Directors proposes to nominate the persons named in the table below for election as directors of the Company. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office becomes vacant by removal, death or other causes.

Each nominee is currently a member of the Board of Directors and has held office since the dates indicated opposite his name. All nominees have consented to join the Board of Directors. The information indicated hereinafter with respect to the nominees proposed as directors was supplied by the nominees themselves, the Company having no knowledge thereof.

Name, Resident Country, Present Position(s) with Company ⁽¹⁾	Principal Occupation or Employment for the Last Five Years ⁽¹⁾	Director of the Company Since	Common Shares Held as of November 24, 2017 ⁽¹⁾
DR. FAOUZI ZERROUK ⁽³⁾ <i>Switzerland</i> CEO, Chairman and Director	Chairman, President and CEO of the Company since January 2005; Executive Chairman, President and Head of Research for Zecotek Holdings Inc. since July 2002	December 31, 2004	11,951,275 ⁽²⁾
ERICH SAGER <i>Zurich, Switzerland</i> Director	Founding Partner and Chairman of Holding TwentyOne AG, a Swiss-based consulting firm since 2009	January 12, 2005	278,500 ⁽⁴⁾
DAVID TOYODA ⁽³⁾ <i>Vancouver, Canada</i> Director	Associate Counsel at Boughton Law Corporation since January 2006	December 27, 2007	Nil ⁽⁵⁾

⁽¹⁾ The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

- (2) 1,977,525 of these shares are held by Zecotek Holdings Inc., a corporation of which Dr. Zerrouk owns 100% of the outstanding voting shares and controls 100% of the equity shares; 9,923,750 of these shares are held by Zecotek Holdings Singapore Pte. Ltd., a corporation of which Dr. Zerrouk owns 100% of the outstanding voting shares and controls 100% of the equity shares; and 50,000 shares are held directly. Dr. Zerrouk personally holds 250,000 options, exercisable at \$0.43 that expire on May 13, 2018, 350,000 options exercisable at \$0.82 that expire on January 20, 2019, 800,000 options exercisable at \$0.70 that expire on May 8, 2019.
- (3) Member of Audit Committee.
- (4) Mr. Sager holds 50,000 options exercisable at \$0.43 per share that expire on May 13, 2018, 100,000 options exercisable at \$0.82 that expire on January 20, 2019, 150,000 options exercisable at \$0.70 that expire on May 8, 2019.
- (5) Mr. Toyoda 50,000 options exercisable at \$0.43 per share that expire on May 13, 2018, 100,000 options exercisable at \$0.82 that expire on January 20, 2019, 150,000 options exercisable at \$0.70 that expire on May 8, 2019.

Dr. Faouzi Zerrouk has been the Company's Chairman, President and CEO since December 31, 2004. Dr. Zerrouk received his PhD in Theoretical Physics in 1987 from the University of Sussex, England. Through 1987–1993, he held research and faculty positions at various centers including the Clarendon Laboratory, University of Oxford, England, (Atomic & Laser physics); Siberian Academy of Sciences (TOKAMAK and Laser fusion research); the Institute of Thermal Processes, Moscow (high-power gas dynamic lasers). At the Institute of General Physics, Moscow, Dr. Zerrouk worked with the group of the Nobel Laureate Academician Prokhorov where he co-developed RGB and UV micro-chipset lasers with large market applications. He also established commercially driven private R&D labs based in Russia in the fields of crystals & lasers, holographic, 3D displays, new materials, nanostructures, optical networks and communication subsystems. In 1989, he established the first foreign partnered, private, business oriented photonics research Lab in the Ex-Soviet Union (Novosibirsk, Siberia). He duplicated the same model in three prestigious research institutes in Moscow. Working closely with the Ministry of Science and Technology Dr. Zerrouk acted as technology transfer advisor during the transition period to the Russian federation, providing Research and Development strategies for the new economy with prominent members of the Russian Academy of Science. He also coordinated a number of government level projects between Russia and, inter alia, China, Germany, USA, Malaysia, and Saudi Arabia. Dr. Zerrouk is a Canadian citizen and the principal founder of Zecotek Holdings Ltd. where he served as the Executive Chairman, President and Head of Research from 2002 to 2004 and CEO from 2004 to 2005.

Mr. Erich Sager has held the position of Founding Partner and Chairman of Holding TwentyOne AG, a Swiss-based consulting firm since 2009. Mr. Sager is a Swiss citizen and holds a business degree from the School of Economics and Business Administration in Zurich, Switzerland. He has held a number of senior banking appointments in Switzerland, including Senior Vice-President, Private Banking, for Dresdner Bank (Switzerland) and Vice-President, Head of German Desk for Deutsche Bank (Switzerland) Ltd.

Mr. David Toyoda graduated from the University of British Columbia with a Bachelor of Law degree and a Bachelor of Commerce degree with honors. He was called to the Bar in 1993. Mr. Toyoda practices in the corporate and securities law area, focusing on companies that list on Canadian stock exchanges. Mr. Toyoda teaches in the areas of corporate governance and public financing at Simon Fraser University, Faculty of Business Administration and the TSX Venture Exchange. He has also coordinated courses for the Continuing Legal Education Society of British Columbia. He is the Past Chair of the Securities Law Subsection of the Canadian Bar Association (B.C. Branch) and was a member of the Securities Law Advisory Committee for the B.C. Securities Commission.

As at November 24, 2017, the Company's directors and officers, as a group, control 12,229,775 common shares representing 8.36% of the total issued and outstanding common shares of the Company.

No proposed director of the Company is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, while the person was acting in that capacity:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, other than David Toyoda who was a director of CIC Mining Resources Limited when it was subject to a cease trade order issued by the British Columbia Securities Commission on January 19, 2007 and the Ontario Securities Commission on January 25, 2007 for failure to file financial statements in the required form. The British Columbia Securities Commission order was revoked on March 29, 2007 and the Ontario Securities Commission order was revoked on April 11, 2007. He was a former director of CIC Mining Resources Limited when it was subject to a management cease trade order issued by the British Columbia Securities

Commission on June 2, 2008 for failure to file financial statements within the required time periods. This order was revoked in September 2008; or

- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Company is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, 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 its assets.

No proposed director of the Company has, within the past 10 years, 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 the proposed director.

Unless instructions are given to abstain from voting with regard to the election of directors, the individuals named on the enclosed proxy form intend to vote IN FAVOR OF the election of the nominees named hereinabove. Management does not contemplate that any of the nominees will be unable to serve as directors, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed proxy form reserve the right to vote for another nominee at their discretion, unless the shareholder has specified in the form of proxy that such shareholder's shares are to be withheld from voting on the election of directors.

3. Presentation of the Annual Financial Statements

The Company's audited financial statements along with Management's Discussion and Analysis for the year ended July 31, 2017 and the Auditor's Report related thereto will be presented to the shareholders at the Meeting. No formal action will be taken at the meeting to approve the financial statements. The Board, upon recommendation of the audit committee of the Corporation (the "Audit Committee"), approved the financial statements prior to their delivery to the Shareholders.

4. Appointment of Auditors

Management proposes that BDO Canada LLP of Vancouver, British Columbia be appointed as Auditors of the Company, their mandate to continue until the next annual general meeting of shareholders and that the directors be authorized to fix the remuneration of the auditors.

5. Amendment to Stock Option Plan

At the Meeting, the disinterested shareholders of the Company will be asked to approve an amendment to the Company's stock option plan (the "Plan"), which would amend the Plan in the following way:

- Section 4.2 of the Plan be amended so that the number of common shares reserved under the Plan for the grant of options be increased from 26,345,000 shares to 28,606,000 shares, which will represent approximately 20% of the total outstanding common shares of the Company at the date of the Meeting. This increased reserve will include all common shares subject to outstanding options.

Acceptance by the TSX Venture Exchange (the "TSXV") is subject to the Company obtaining disinterested shareholder approval of the amendment to the Plan.

The TSXV's policies require that the Company's disinterested shareholders must approve the amendment to the Plan. The insiders to whom shares may be issued under the Plan, and their associates, must abstain from voting on the amendment to the Plan.

The term "insiders" is defined in the *Securities Act* (British Columbia) and generally includes directors, senior officers, the five highest paid employees, and holders of more than 10% of the Company's voting shares.

Within the meaning of TSXV policies, the term “associate” means, when used to indicate a relationship with any person:

- a) a company of which that person beneficially owns or controls, directly or indirectly, voting securities entitling him or her to more than 10% of the outstanding voting rights of the company;
- b) a partner of that person;
- c) a trust or estate in which that person has a substantial benefit interest or for which that person serves as trustee or in a similar capacity; or
- d) in the case of a person who is an individual, that person’s spouse or child or any relative of that person or of his spouse who has the same residence as that person.

Accordingly, at the Meeting, shareholders will be asked to consider and if thought fit, to approve, with or without amendment, the following ordinary resolution to be voted on by the disinterested shareholders:

“IT IS RESOLVED, as an ordinary resolution of disinterested shareholders, that:

1. The Company amend the Plan to increase the number of common shares reserved for issuance upon the exercise of incentive stock options granted under the Plan to 28,606,000 common shares.
2. The amendment to the Plan, substantially in the form presented to the shareholders, is approved and any one director or officer of the Company is authorized to sign the amendment to the Plan on the Company’s behalf.
3. The Company file the amendment to the Plan with the TSXV for acceptance.”

STATEMENT OF EXECUTIVE COMPENSATION

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6V be included in this Information Circular. Form 51-102F6VV prescribes the disclosure requirements in respect of the compensation of executive officers and directors of reporting issuers. Form 51-102F6V provides that compensation disclosure must be provided for the Chief Executive Officer and the Chief Financial Officer of an issuer and the most highly compensated executive officers whose total compensation exceeds \$150,000 for the two most recently completed financial years. Based on those requirements, the executive officers of the Company for whom disclosure is required under Form 51-102F6V are Dr. Faouzi Zerrouk, the President and CEO and Chairman, Michael Minder, the CFO, and Azman Arrifin, the Vice President, Operations.

For the purpose of this Statement of Executive Compensation:

“compensation securities” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“NEO” or “named executive officer” means:

- (a) each individual who served as chief executive officer (**“CEO”**) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (**“CFO”**) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial

year, and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and position	Year	Salary, consulting fee, retainer or commission ⁽¹⁾⁽²⁾ (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Dr. Zerrouk Chairman, President & CEO	2017	207,278 ⁽¹⁾	Nil	Nil	Nil	483,649	690,927
	2016	208,686 ⁽¹⁾	Nil	Nil	Nil	559,064	767,750
Michael Minder CFO	2017	180,000 ⁽²⁾	Nil	Nil	Nil	Nil	180,000
	2016	187,927 ⁽²⁾	Nil	Nil	Nil	Nil	187,927
Azman Ariffin Vice President, Operations	2017	210,822 ⁽³⁾	Nil	Nil	Nil	Nil	210,822
	2016	212,254 ⁽³⁾	Nil	Nil	Nil	Nil	212,254
Erich Sager Director	2017	Nil	Nil	24,000 ⁽⁴⁾	Nil	Nil	24,000 ⁽⁴⁾
	2016	Nil	Nil	24,000 ⁽⁴⁾	Nil	Nil	24,000 ⁽⁴⁾
David Toyoda Director	2017	Nil	Nil	30,000 ⁽⁵⁾	Nil	Nil	30,000 ⁽⁵⁾
	2016	Nil	Nil	30,000 ⁽⁵⁾	Nil	Nil	30,000 ⁽⁵⁾
Dr. Jalil Ali Director	2017	Nil	Nil	24,000 ⁽⁶⁾	Nil	Nil	24,000 ⁽⁶⁾
	2016	Nil	Nil	24,000 ⁽⁶⁾	Nil	Nil	24,000 ⁽⁶⁾

- (1) The total compensation for the year for Dr. Zerrouk, directly and indirectly through his wholly owned company, was \$690,927. \$356,188 was paid out in the current year and \$334,739 remains unpaid as at July 31, 2017. An additional \$219,169 also remains unpaid for compensation from the prior years.
- (2) The total consulting fees for the year for Michael Minder was \$180,000. \$98,182 was paid out in the current year and \$95,068 remains unpaid as at July 31, 2017. An additional \$26,750 also remains unpaid for compensation from the prior years.
- (3) The total consulting fees for the year for Azman Ariffin was \$210,822. \$97,457 was paid out in the current year and \$113,365 of his compensation remains unpaid as at July 31, 2017. An additional \$41,937 also remains unpaid for compensation from the prior years.
- (4) The total director fees payable to Erich Sager each year was \$24,000. However \$nil was paid out in both 2016 and 2017 and his total compensation for both years remains unpaid as at July 31, 2017.
- (5) The total director fees payable to David Toyoda each year was \$30,000. However \$nil was paid out in both 2016 and 2017 and his total compensation for both years remains unpaid as at July 31, 2017.
- (6) The total director fees payable to Dr. Jalil Ali each year was \$24,000. However \$nil was paid out in both 2016 and 2017 and his total compensation for both years remains unpaid as at July 31, 2017.

The directors of the Company receive cash and stock compensation for services rendered in their capacity as

directors of the Company. The Company compensated the independent directors \$6,000 per quarter and additional \$1,500 per quarter for the chairman of the Compensation and Audit Committees. The directors who also act as officers get cash compensation as part of their remuneration in their capacity as officers.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to directors and NEOs by the Company or any subsidiary thereof in the year ended July 31, 2017 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof

Exercise of Compensation Securities by Directors and NEOs

There were no stock options exercised by directors or NEOs during the year ended July 31, 2017.

Stock Option Plans and Other Incentive Plans

The Company's current stock option plan (the "2016 Plan") provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase Shares for a maximum term of 10 years. The 2016 Plan is a "fixed" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed twenty (20%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time the Plan was last approved by shareholders. There are a maximum of 26,345,000 shares issuable under the 2016 Plan. As at the date hereof, there are 5,835,000 options outstanding.

The Board may specify a vesting schedule for all or any portion of an option at the time of grant of the option. Options granted to consultants conducting investor relations activities must vest over a period of not less than 12 months, with 25% of the options vesting on each of the dates that is three, six, nine and 12 months from the date of grant, or such longer vesting period as the Board may determine.

A copy of the 2016 Plan is available for review on the Company's profile at www.sedar.com and at the registered offices of the Company, at 700 – 595 Burrard Street, Vancouver, BC, V7X 1S8 during normal business hours up to and including the date of the Meeting.

A new "fixed" stock option plan will be up for approval by the shareholders at the Meeting allowing for the issuance of a maximum of 20% of the issued and outstanding shares as of the date of the Meeting.

Employment, Consulting and Management Agreements

Other than described above, the Company does not have any employment, consulting or management agreements or arrangements with any of the current NEOs or directors for the year ended July 31, 2017,

Oversight and Description of Director and NEO Compensation

Compensation of the Named Executive Officers of the Corporation is reviewed periodically by the Compensation Committee and is subsequently approved by the Board of Directors based on the recommendation of the Compensation Committee. During the most recently completed financial year, the members of the Compensation Committee were Erich Sager (Chairman), David Toyoda and Dr. Jalil Ali. All three members are considered to be independent directors.

The Board of Directors established the Corporation's executive compensation policies based on the recommendations of the Compensation Committee. The Board of Directors also considers compensation matters on the recommendation of the Compensation Committee from time to time during each fiscal year if it is determined necessary or desirable to do so. The Board of Directors and the Compensation Committee's objective in setting compensation levels is that the aggregate compensation received by NEOs be generally competitive with the compensation received by persons living in the jurisdictions where the NEO resides, who have similar qualifications and responsibilities and who are employed by other companies of corresponding size and stage of development. In setting such levels, the Board of Directors and the Compensation Committee

rely primarily on their own experience and knowledge and can retain outside compensation consultants as required. It also refers to compensation paid to NEOs of other medical device and technology companies such as Verisante Technology, Inc. (TSXV: VRS) and Cardiocomm Solutions Inc. (TSXV: EKG).

Compensation provided to NEOs generally consists of two principal components: (i) base salary; and (iii) options granted pursuant to the Corporation's Stock Option Plan. In addition, the Compensation Committee will consider additional perquisites on a case-by-case basis taking into consideration the residency of the NEO and the cost of living in such jurisdictions.

Pursuant to the Corporation's Stock Option Plan, the Board of Directors, at its discretion, determines all grants of stock options to NEOs. Such grants are considered incentives intended to align the NEOs' and shareholders' interests in the long term. The Corporation emphasizes stock options in executive compensation as they allow the NEOs to share in corporate results in a manner that is relatively cost-effective despite the effects of treating stock options as a compensation expense. The Compensation Committee provides recommendations to the Board of Directors with respect to option grants to NEOs.

The Compensation Committee reviews each NEO appointment and recommends a level of option-based award commensurate with the role and duties in building the overall value of the Corporation. These recommendations and grants of option-based awards at the initial time of appointment are reviewed by the Board of Directors. The Compensation Committee reviews the level of option-based awards periodically to determine if the overall level held by each NEO continues to represent a reasonable incentive that ties the performance of the NEO to measures and targets that reflect an enhancement to shareholders.

President and CEO Compensation

Dr. Faouzi Zerrouk, Chairman, President and CEO of the Company, entered into an employment agreement with the Company on May 1, 2006, and amended on March 14, 2007. This agreement is for an indefinite term. His cash compensation package paid, directly and indirectly to a company wholly owned by Dr. Zerrouk amounted to CAD \$690,927, during the 2017 fiscal year. The agreement contains the customary confidentiality covenants. In the event of termination of Dr. Zerrouk's employment by the Company, the Company will give Dr. Zerrouk not less than 12 months notice and remunerate him for the equivalent of 24 months salary without the loss of his stock options.

The Company did not pay any other remuneration (other than the payments set out above and those made pursuant to the Canada Pension Plan or any government plan similar to it) pursuant to any existing plan or arrangement during the Company's most recently completed financial year to the directors and senior officers of the Company, as a group, directly or indirectly. The Company does not propose to make any payments, directly or indirectly, in the future to the directors and senior officers of the Company, as a group, pursuant to such a plan or arrangement.

The Company has no compensatory plan or arrangement with any Named Executive Officer that will result in payments to any Named Executive Officer resulting from the resignation, retirement or any other termination of employment of the officer's employment with the Company and its subsidiaries or from a change of control of the Company or any subsidiary of the Company or a change of the Named Executive Officer's responsibilities following a change-in-control, except as disclosed in the preceding paragraph.

Director Compensation

The directors of the Company receive cash and stock compensation for services rendered in their capacity as directors of the Company. The Company compensated the independent directors \$6,000 per quarter and additional \$1,500 per quarter for the chairman of the Compensation and Audit Committees. The directors who also act as officers get cash compensation as part of their remuneration in their capacity as officers.

The Corporation has initiated a review of its compensation policies throughout the company and intends to retain outside consultants to assist in this process.

Pension Benefits

The Company does not have a pension benefit arrangement under which the Company have made payments to the directors and or Named Executive Officers of the Company during its fiscal year ended July 31, 2017 or intends to make payments to the Company’s directors or Named Executive Officers upon their retirement (other than the payments set out above and those made, if any, pursuant to the Canada Pension Plan or any government plan similar to it).

Securities Authorized for Issuance under Equity Compensation Plans

Pursuant to the Company’s Stock Option Plan (the “Plan”), a maximum of 26,345,000 of the Common Shares of the Company were available for the issuance of stock options, and 20,510,000 options were available to be granted as of July 31, 2017. The Plan provides that the term of the options shall be fixed by the Board of Directors of the Company. The exercise price of an option shall not be less than the Market Value of the Shares as of the grant date.

During the most recently completed fiscal year 4,825,000 options expired pursuant to the Plan.

The following table provides information as of the Company’s most recently completed fiscal year-end of July 31, 2017 with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	5,835,000	\$0.69	20,510,000
Equity compensation plans not approved by securityholders	Nil	N/A	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the last completed financial year, no current or former director, executive officer, senior officer or nominee for election as a director of the Company or any of their associates or affiliates is or has been indebted to the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no director or executive officer of the Company has had any interest in any material transaction during the year ended July 31, 2017, or has any interest in any material transaction in the current year other than as set out herein.

An “informed person” means:

- a) a director or executive officer of the Company;
- b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and

- d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

MANAGEMENT CONTRACTS

The management functions of the Company are not to any substantial degree performed by any person other than the executive officers and directors of the Company.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. The Board is of the view that the Company's general approach to corporate governance, summarized below as required by Form 58-101F2, is appropriate and substantially consistent with objectives reflected in National Policy 58-201, Corporate Governance Guidelines (the "Guidelines"). Each director and officer must sign Acknowledgements that they will comply with the Company's various Corporate Governance Policies.

Board of Directors

The Guidelines recommend that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the issuer. A "material relationship" means a relationship which could, in view of the issuer's board of directors, reasonably interfere with the exercise of a member's independent judgment. Please refer to section 1.4 of the National Instrument 52-101 Audit Committees, for further clarification of the meaning of "independent" and "material relationship".

The Board is currently composed of four directors, three of whom, Mr. Sager, Mr. Toyoda and Dr. Jalil Ali, can be defined as independent. The Board has determined that Dr. Zerrouk who acts as Chairman, President and CEO is not considered to be independent since he is an officer of the Company.

Directorships

The following directors are presently directors of the other reporting issuers listed below:

Director	Reporting Issuer	Name of Exchange	Director Since
David Toyoda	Paloma Resources Inc.	TSXV (NEX)	June 2006
	Aurora Solar Technologies Inc.	TSXV	January 2010
	Aim Explorations Ltd.	TSXV	September 2012
	Lite Access Technologies Inc.	TSXV	June 2015

Orientation and Continuing Education

The Company's *Corporate Governance Manual* is provided to new members of the Board of Directors to inform them of the mandate, composition and responsibilities of the Board and each of its committees. The Company does not provide a formal orientation and training program to new directors.

Ethical Business Conduct

All directors of the Company have the obligation to perform their duties and assume their responsibilities in the best interests of the Company. The Company expects all of its directors to comply with the laws and regulations governing its conduct and further is committed to promoting integrity and maintaining the highest standard of ethical conduct in all of its activities. To that effect, and because it considers that sound corporate governance practices are essential to the Company's effective operations, the Company's Board of Directors

adopted the *Corporate Governance Manual*. Such manual will be reviewed periodically to ensure its compliance with the most recent measures adopted by applicable Canadian securities regulators.

Nomination of Directors

The Board has not yet adopted a formal Nominating Committee. New candidates are currently recommended by the CEO. The entire Board will then evaluate the candidate and if (s)he meets Board approval, will put forward an invitation to that candidate to join the Board.

Compensation

A compensation committee of the Board of Directors has been established consisting of Erich Sager (Chairman), David Toyoda and Dr. Jalil Ali. The compensation committee is required to give advice to the Board of Directors on the executive compensation policy of the Company. The Company aims to offer a compensation package that reflects both the Company’s standards and the caliber of employees that it wishes to attract and retain. Complementing the base salary with stock options is designed to motivate and reward employees to contribute to corporate goals. Under the plan the compensation for officers and directors is subject to annual review.

Other Committees of the Board

The Company has a Corporate Governance Committee which is composed of David Toyoda (Chairman) and Erich Sager. The function of the Corporate Governance Committee is to assist the Company’s Board of Directors in developing and implementing the Company’s corporate governance guidelines, determining the composition of the Board of Directors and its Committees and overseeing the Company’s policies concerning business conduct, ethics, public disclosure of material information and other matters.

Assessments

The CEO and CFO are responsible for assessing the adequacy and efficiency of the organizational structure of the Company and for making recommendations to the Board regarding corporate goals and objectives and the performance of management.

AUDIT COMMITTEE DISCLOSURE

A summary of the responsibilities, activities and membership of the Audit Committee (the “Committee”) is set out below as required by Form 52-110. The Charter of the Audit Committee is attached to this management information circular as Schedule “A” and incorporated by reference herein. The responsibility of the Audit Committee is to review the annual and quarterly financial statements of the Company and to make recommendations to the Board of Directors with respect to same.

Composition of the Audit Committee

The following are the members of the Committee:

David Toyoda	Independent ¹	Financially literate ¹
Dr. Jalil Ali	Independent ¹	Financially literate ¹
Faouzi Zerrouk	Non-Independent ¹	Financially literate ¹
1. As defined by National Instrument 52-110.		

Relevant Education and Experience

David Toyoda is a lawyer with a Bachelor of Commerce degree with honors and serves on several Boards as Director. Dr. A.F. Zerrouk has many years experience serving on the board of high tech organizations, he is a technology developer and scientific entrepreneur and founder of various technology companies. Dr. Jalil Ali has held several faculty and research positions since 1987. He is a member of OSA, SPIE and the Malaysian Institute of Physics and was head of the technology transfer and innovation department at the University Technology Malaysia.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the beginning of the Company's most recently completed financial year has the Company relied on the any exemptions under Regulation 52-110.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to the Company by the independent auditors.

External Auditor Service Fees

The following service fees have been invoiced to the Company by the external auditors, BDO Canada:

	Financial Year Ended July 31, 2017	Financial Year Ended July 31, 2016
Audit Fees	\$47,500	\$46,500
Tax Fees	\$Nil	\$Nil
All Other Fees	\$Nil	\$Nil
Total	\$47,500	\$46,500

OTHER BUSINESS

Save for the matters referred to herein, management is not aware of any other matters intended to be brought before the Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information concerning the Company is provided in its comparative financial statements and management's discussion and analysis for the year ended July 31, 2017. Copies of this information are available either on SEDAR or upon request to the Secretary of the Company. Additional information relating to the Company may be obtained from the Company's website: www.zecotek.com.

APPROVAL OF THE MANAGEMENT INFORMATION CIRCULAR

The contents and mailing of this Management Information Circular have been approved by the Board of Directors of the Company.

Dated at Vancouver, British Columbia, as of the 24th day of November, 2017.

ON BEHALF OF THE BOARD

“Dr. Faouzi Zerrouk”

Dr. Faouzi Zerrouk

Chairman, President and CEO

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

Purpose of the Committee

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company is to provide an open avenue of communication between management, the Company’s independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- (b) the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Company’s independent auditors.

The Committee shall also perform any other activities consistent with this Charter, the Company’s Bylaws and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board at its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“IFRS”), Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditors’ responsibility is to audit the Company’s financial statements and provide their opinion, based on their audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditors to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditors. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditors. The independent auditors shall report directly to the Committee.

Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditors the adequacy and effectiveness of the Company’s accounting and financial controls and the adequacy and timeliness of its financial reporting process.

4. Review with management and the independent auditors the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditors' judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditors without the presence of management.
8. Review with management and the independent auditors significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditors.
10. Monitor the independence of the independent auditors by reviewing all relationships between the independent auditors and the Company and all non-audit work performed for the Company by the independent auditors.
11. Establish and review the Company's procedures for the:
 - (a) receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
 - (b) confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

Perform such other functions and exercise such other powers as are prescribed from time to time for the Audit Committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the Articles of the Company.