



QUARTERHILL INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting of the shareholders of Quarterhill Inc. ("**Quarterhill**") will be held on Thursday, April 21, 2022 at 9:30 a.m. (Toronto, Ontario time) (the "**Meeting**").

Out of an abundance of caution, to deal with potential issues arising from the continuing unprecedented world-wide public health impact of COVID-19 and the practical inability to predict if, as and when governments will change related restrictions and requirements, and to limit and mitigate risks to the health and safety of our communities, shareholders, employees, directors and other stakeholders, Quarterhill will hold the Meeting in a virtual only format conducted by live audio webcast.

The Meeting will be accessible online at <https://web.lumiagm.com/429372562> starting at 9:30 am (Toronto, Ontario time) on April 21, 2022. Please note that this site may not be fully accessible on all Internet browsers and if you are unable to access this site on your browser, we suggest trying to access it via a different browser.

The Meeting will be held to:

1. receive Quarterhill's financial statements for the financial year ended December 31, 2021, (the "**Financial Statements**") together with the report of Quarterhill's auditors thereon;
2. elect the members of Quarterhill's Board of Directors (the "**Board**");
3. appoint Quarterhill's auditors and to authorize the Board to fix the auditors' remuneration;
4. consider and, if thought appropriate, approve, with or without variation, a resolution to add an addendum relating to certain United States taxation matters to Quarterhill's 2018 Equity Incentive Plan as more fully described in Quarterhill's March 10, 2022 Management Information Circular (the "**Circular**") in the section entitled "Particulars of Matters to be Acted Upon – Equity Plan US Addendum Resolution";
5. consider and, if thought appropriate, approve, with or without variation, a resolution to amend Quarterhill's current Articles to permit the Board to call and hold meetings of Quarterhill's shareholders in Canada or in any state in the United States in which Quarterhill or any of its subsidiaries has a physical office, all as more fully described out in the Circular in the section entitled "Particulars of Matters to be Acted Upon – Amendment to Articles Resolution";
6. consider and, if thought appropriate, approve, with or without variation, the shareholder proposal set out at **Exhibit C** to the Circular if it is properly introduced at the Meeting; and
7. transact such further or other business as may properly come before the Meeting or any adjournment or adjournments of the Meeting.

A copy of the Circular and a form of proxy accompany this Notice.

Registered shareholders and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, **provided** they are connected to the Internet (**at**

<https://web.lumiagm.com/429372562>) and comply with all of the requirements set out in the accompanying Circular.

Any non-registered (or beneficial) shareholder will be able to attend the Meeting, ask questions and vote, all in real time, **only** if they duly appoint themselves as their own proxyholder and comply with all the requirements set out in the accompanying Circular relating to such appointment and registration. Failing which, any non-registered (or beneficial) shareholder will be able to attend the Meeting as a guest, but will not be able to vote or ask questions at the Meeting.

Quarterhill shareholders will be able to participate at the Meeting online regardless of their geographic location.

Proxies to be used at the Meeting or at any adjournment or postponement thereof must be deposited with Quarterhill's Corporate Secretary at 25 King Street West, Suite 1101, Toronto, Ontario, M5L 2A1 or by fax to (613) 688-4894 or with Quarterhill's transfer agent, Computershare Investor Services Inc. ("**Computershare**") at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department in the envelope provided for that purpose, by fax to Computershare at 1-866-249-7775 or (416) 263-9524 or by otherwise following Computershare's instructions and, in any such case, not later than 9:30 a.m. (Toronto, Ontario time) on April 19, 2022 or the last business day preceding any adjournment or postponement of the Meeting.

Any questions regarding the Meeting or voting at the Meeting can be directed to Quarterhill's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors LP, at 1-855-476-7980 or, from outside North America, by collect call at 1-416-867-2272 or by Email at contactus@kingsdaleadvisors.com.

FAILURE TO REGISTER A PROXYHOLDER WITH COMPUTERSHARE WILL RESULT IN THE PROXYHOLDER NOT RECEIVING A CONTROL NUMBER TO PARTICIPATE IN THE MEETING AND ONLY BEING ABLE TO ATTEND THE MEETING AS A GUEST.

As permitted by the Canadian Securities Administrators and pursuant to exemptions from the management proxy solicitation and financial statement and management's discussion and analysis delivery requirements received from the Director appointed under the *Canada Business Corporations Act*, Quarterhill is using "notice and access" to deliver proxy-related materials such as the Circular and its Financial Statements and related management's discussion and analysis (the "**MD&A**") (collectively, the "**Meeting Materials**") to both registered and non-registered shareholders. "Notice and access" is a set of rules for reducing the volume of materials that must be physically mailed to shareholders by posting the Meeting Materials online and providing shareholders with a notice stating where they are available. Rather than receiving a paper copy of the Meeting Materials in the mail, shareholders will have access to them online. Shareholders will receive a notice package (the "**Notice Package**") containing the information prescribed by applicable Canadian securities laws (including a description of the matters to be addressed at the Meeting and of the notice-and-access procedures to access the Meeting Materials), as well as a form of proxy (for registered shareholders) or a voting instruction form (for non-registered shareholders). Where a shareholder has previously consented to electronic delivery, the Notice Package will be sent to the shareholder electronically, and otherwise will be mailed to the shareholder.

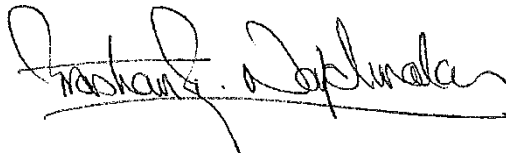
Copies of the Meeting Materials are or, with respect to the Financial Statements and MD&A, will be available on SEDAR at www.sedar.com and on Quarterhill's website at: www.quarterhill.com/Investors/governance/governance-documents/default.aspx. Registered shareholders who would like to receive paper copies of the Meeting Materials may contact Computershare toll-free at 1-866-962-0498 or direct from outside North America at 1 (514) 982-8716. Non-registered shareholders who would like to receive paper copies of the Meeting Materials may contact Broadridge Investor Communications Solutions toll-free at 1-877-907-7643 or direct from outside North America at 1 (905) 507-5450. For shareholders to receive paper copies of the Meeting

Materials before the deadline for the submission of voting instructions and the date of the Meeting, we recommend that they call the appropriate number above and make their request as soon as possible but no later than April 11, 2022. **Copies of the Financial Statements and MD&A will only be available after March 25, 2022.** To obtain paper copies of the Meeting Materials following the date of the Meeting, please contact Quarterhill toll-free at 1-833-901-QTRH (7873).

Shareholders who are unable to attend the virtual only Meeting should date and sign the enclosed form of proxy and return it to Quarterhill's Corporate Secretary or to Computershare in the envelope provided for that purpose or by fax, or by otherwise following Computershare's instructions, in any case not later than 9:30 a.m. (Toronto, Ontario time) on April 19, 2022 or the last business day preceding any adjournment or postponement of the Meeting. To be represented by proxy, you must complete and submit the enclosed form of proxy or another appropriate form of proxy.

DATED at Toronto, Ontario this 10th day of March, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read "Prashant Watchmaker", written over a horizontal line.

Prashant Watchmaker
Senior Vice-President, General Counsel & Corporate Secretary



QUARTERHILL INC.
MANAGEMENT INFORMATION CIRCULAR
MARCH 10, 2022

This Management Information Circular (this "**Circular**") and the accompanying form of proxy (the "**Proxy**") are being sent in advance of the Annual and Special Meeting of Shareholders (the "**Meeting**") of Quarterhill Inc. ("**Quarterhill**", "**we**" or "**us**") to be held at 9:30 a.m. (Toronto, Ontario time) on Thursday, April 21, 2022. References in this Circular to "**ETC**", "**IRD**" and "**WiLAN**" relate to Quarterhill's subsidiaries Electronic Transaction Consultants, LLC, International Road Dynamics Inc. and Wi-LAN Inc. respectively. Information in this Circular is given as of March 10, 2022 unless otherwise indicated.

The Meeting will be held in a virtual only format conducted via live audio webcast. Shareholders will not be able to attend the virtual Meeting in person. The virtual Meeting will be accessible online at <https://web.lumiagm.com/429372562> starting at 9:30 am (Toronto, Ontario time) on April 21, 2022. Please note that this site may not be fully accessible on all Internet browsers and if you are unable to access this site on your browser, we suggest trying to access it via a different browser.

A summary of the information shareholders will need to attend the Meeting online is provided below.

This Circular includes information we are required to disclose to shareholders and also describes and explains the business to be transacted and the matters to be voted on at the Meeting.

All dollar amounts in this Circular are in **Canadian** dollars unless otherwise specified. Any US dollar amounts in this Circular are indicated by the use of the prefix "US\$" before a specified dollar amount. Unless otherwise specified, Toronto Stock Exchange ("**TSX**") closing market prices for Quarterhill common shares ("**Common Shares**") for any specified date are provided in **Canadian** dollars.

DUE TO ROUNDING ASSOCIATED WITH FOREIGN EXCHANGE AND OTHER CALCULATIONS IN THIS CIRCULAR, DOLLAR AMOUNTS MAY NOT ADD UP PRECISELY, AND SOME DATA MAY DIFFER SLIGHTLY BETWEEN DIFFERENT TABLES PRESENTING SIMILAR INFORMATION.

Delivery of Meeting Materials

As permitted by the Canadian Securities Administrators and pursuant to exemptions from the management proxy solicitation and financial statement and management's discussion and analysis delivery requirements received from the Director appointed under the *Canada Business Corporations Act* (the "**CBCA**"), we are using "notice and access" to deliver proxy-related materials such as this Circular and our annual financial statements for the year ended December 31, 2021 (the "**Financial Statements**") and related management's discussion and analysis (the "**MD&A**") (collectively, the "**Meeting Materials**") to both registered and non-registered shareholders. "Notice and access" is a set of rules for reducing the volume of materials that must be physically mailed to shareholders by posting the Meeting Materials online and providing shareholders with a notice stating where they are available. Rather than receiving a paper copy of the Meeting Materials in the mail, shareholders will have access to them online. Shareholders will receive a notice package (the "**Notice Package**") containing the information prescribed by applicable Canadian securities laws (including a description of the matters to be addressed at the Meeting and of the notice and access procedures for accessing the Meeting

Materials, as well as a form of proxy (for registered shareholders) or a voting instruction form (for non-registered shareholders). Where a shareholder has previously consented to electronic delivery, the Notice Package will be sent to the shareholder electronically, and otherwise will be mailed to the shareholder. Shareholders are reminded to review the Circular prior to voting.

Copies of the Meeting Materials are or, with respect to the Financial Statements and the MD&A, will be available on SEDAR at www.sedar.com and on Quarterhill's website at: www.quarterhill.com/Investors/governance/governance-documents/default.aspx. Registered shareholders who would like to receive paper copies of the Meeting Materials may contact Quarterhill's transfer agent and registrar Computershare Investor Services Inc. ("**Computershare**") toll-free at 1-866-962-0498 or direct from outside North America at 1 (514) 982-8716. Non-registered shareholders who would like to receive paper copies of the Meeting Materials may contact Broadridge Investor Communications Solutions toll-free at 1-877-907-7643 or direct from outside North America at 1 (905) 507-5450. For shareholders to receive paper copies of the Meeting Materials before the deadline for the submission of voting instructions and the date of the Meeting, we recommend that they call the appropriate number above and make their request as soon as possible but no later than April 11, 2022. **Copies of the Financial Statements and MD&A will only be available after March 25, 2022.** To obtain paper copies of the Meeting Materials following the date of the Meeting, please contact Quarterhill toll-free at 1-833-901-QTRH (7873).

PLEASE NOTE THAT IF YOU REQUEST A PAPER COPY OF THE MEETING MATERIALS, YOU WILL NOT RECEIVE A NEW FORM OF PROXY OR VOTING INSTRUCTION FORM AND, THEREFORE, YOU MUST RETAIN THE FORMS INCLUDED IN THE NOTICE PACKAGE IN ORDER TO VOTE.

All references to websites in this Circular are for your information only. Information contained on or linked through any website is not part of, and is not incorporated by reference in, this Circular.

The Meeting

We are holding the Meeting in a virtual only format this year out of an abundance of caution to proactively deal with the potential issues arising from the continuing unprecedented world-wide public health impact of COVID-19 and to limit and mitigate risks to the health and safety of our communities, shareholders, employees, directors and other stakeholders. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location.

Registered shareholders and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, **provided** they are connected to the Internet (**at <https://web.lumiagm.com/429372562>**) and comply with all of the requirements set out in this Circular INCLUDING OBTAINING A CONTROL NUMBER BY REGISTERING WITH COMPUTERSHARE AT **www.computershare.com/Quarterhill** IF REQUIRED AND AS EXPLAINED BELOW.

Any non-registered (or beneficial) shareholder will be able to attend the Meeting, ask questions and vote, all in real time, **only** if they duly appoint themselves as their own proxyholder and comply with all of the requirements set out in this Circular relating to that appointment and registration. Failing which, any non-registered (or beneficial) shareholder will be able to attend the Meeting as a guest, but will not be able to vote or ask questions at the Meeting.

Quarterhill shareholders will be able to participate at the Meeting online regardless of their geographic location.

IF YOU DO NOT REGISTER A PROXYHOLDER WITH COMPUTERSHARE, THEN YOUR PROXYHOLDER WILL NOT RECEIVE A CONTROL NUMBER TO PARTICIPATE IN THE MEETING AND WILL ONLY BE ABLE TO ATTEND THE MEETING AS A GUEST.

The Proxy

Voting by Proxy is the easiest way to vote. It means you, as a Quarterhill shareholder, are giving one of our officers or your preferred other proxyholder the authority to attend the Meeting and vote on your behalf.

On any ballot that may be called for, the Common Shares represented by proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on such ballot, and if a shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The persons named in the Proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested.

The Proxy is being solicited by Quarterhill's management for use at the Meeting and at any adjournment or postponement of the Meeting. We expect that solicitation will be primarily by mail, but Proxies may also be solicited personally, by telephone or other form of correspondence. We have retained Kingsdale Advisors LP ("**Kingsdale**") to provide strategic advisory, communications and proxy solicitation services relating to the Meeting and we will pay fees of approximately \$55,000 to Kingsdale for their services plus we will reimburse their out-of-pocket expenses. For clarity, the costs of all of Kingsdale's services will be entirely paid for by Quarterhill. Shareholders who have questions about the Meeting or require assistance with voting at the Meeting should contact Kingsdale at 1-855-476-7980 or, from outside North America, by collect call to 1-416-867-2272, or by Email at contactus@kingsdaleadvisors.com. We will also pay the fees and costs of intermediaries for their services in transmitting Proxy-related material in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

Quarterhill may utilize the Broadridge QuickVote™ service to assist beneficial Quarterhill shareholders with voting their Common Shares by telephone. Alternatively, Kingsdale may contact beneficial Quarterhill shareholders to assist them with conveniently voting their Common Shares directly by telephone.

The persons named in the Proxy are Quarterhill officers. **You have the right to appoint a person or company (who does not need to be a Quarterhill shareholder) to represent you at the Meeting other than the persons designated in the Proxy.** You may do so either by following the instructions set out in the Proxy or by completing another proxy.

To be represented by proxy at the Meeting or at any adjournment or postponement of the Meeting, every shareholder must, in all cases, deliver the completed Proxy to Quarterhill's Corporate Secretary at 25 King Street West, Suite 1101, Toronto, Ontario, M5L 2A1 or by fax to (613) 688-4894, or to Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department in the envelope enclosed, or submit the completed Proxy by fax to Computershare at 1-866-249-7775 or (416) 263-9524 or by otherwise following Computershare's instructions, **no later than 9:30 a.m. (Toronto, Ontario time) on April 19, 2022 or the last business day preceding any adjournment of the Meeting. The time limit for the deposit of proxies may be waived or extended by the Chairperson of the Meeting at their discretion without notice.**

If a shareholder wishes to appoint a third party (i.e. not Quarterhill management's representatives) as their proxyholder to represent them at the Meeting, then they must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder with Computershare. Registering the proxyholder is an additional step once a shareholder has submitted

their proxy or voting information form. **Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting.** To register a proxyholder, shareholders must visit www.computershare.com/Quarterhill not later than 9:30 a.m. (Toronto, Ontario time) on April 19, 2022 or the last business day preceding any adjournment of the Meeting and provide Computershare with their proxyholder's contact information, so Computershare may provide the proxyholder with a Username by Email.

FAILURE TO REGISTER A PROXYHOLDER WITH COMPUTERSHARE WILL RESULT IN THE PROXYHOLDER NOT RECEIVING A CONTROL NUMBER TO PARTICIPATE IN THE MEETING AND ONLY BEING ABLE TO ATTEND THE MEETING AS A GUEST.

Revoking Your Proxy

In addition to revoking your Proxy in any other manner permitted by law, you may revoke your Proxy under sub-section 148(4) of the CBCA by stating clearly in writing that you want to revoke your Proxy and by delivering the written statement to Quarterhill's Corporate Secretary or to Computershare in any of the manners described above, in either case at any time up to 9:30 a.m. (Toronto, Ontario time) on April 19, 2022 or the last business day preceding any adjournment or postponement of the Meeting at which your Proxy is to be used, or with the Chairperson of the Meeting on the day of the Meeting or any adjournment or postponement of the Meeting and, in either case, your original Proxy will be revoked. If your written statement revoking your Proxy is delivered to the Chairperson of the Meeting on the day of the Meeting or any adjournment or postponement of the Meeting, then the revocation of your Proxy will not be effective with respect to any matter on which a vote has already been cast pursuant to your original Proxy.

Voting Your Proxy

Quarterhill officers named in the Proxy or any other person you properly appoint as a proxy will vote or withhold from voting Common Shares held by you and in respect of which they have been appointed proxy holders in accordance with your directions on the Proxy.

In the absence of any contrary direction from you, your Common Shares will be voted as follows:

- **FOR** the election of the directors named in this Circular;
- **FOR** the appointment of Quarterhill's auditors named in this Circular;
- **FOR** the approval of a resolution (the "**Equity Plan US Addendum Resolution**") set out at **Exhibit A** to this Circular to add an addendum relating to certain United States taxation matters (the "**US Addendum**") to Quarterhill's 2018 Equity Incentive Plan (the "**Equity Plan**");
- **FOR** the approval of a resolution (the "**Amendment Special Resolution**") set out at **Exhibit B** to this Circular to amend Quarterhill's current Articles to permit the Board to call and hold meetings of Quarterhill's shareholders in Canada or in any city in the United States in which Quarterhill or any of its subsidiaries has a physical office; and
- **AGAINST** the approval of the shareholder proposal set out at **Exhibit C** to this Circular on the basis of our responses to the shareholder proposal set out herein;

all as more fully set forth in this Circular.

Quarterhill management does not know of any amendment to the matters referred to in the accompanying Notice of Meeting or of any other business that will be presented at the Meeting. If any amendment or other business is properly brought before the Meeting, however, the accompanying

Proxy confers discretionary authority upon the persons named in the Proxy to vote upon any amendment or on such other business in accordance with their discretion.

Interest of Certain Persons in Matters to be Acted Upon

None of Quarterhill's directors, any proposed directors or senior officers, or any associate or controlled corporation of any such person, has any direct or indirect material interest in any of the matters to be acted upon at the Meeting other than the election of directors.

Common Shares

Only holders of record of Common Shares at close of business on March 7, 2022 (the "**Record Date**") are entitled to receive notice of and vote at the Meeting. The failure of any shareholder to receive notice of a meeting of shareholders does not, however, deprive them of a vote at the Meeting.

At the Record Date, 113,950,854 Common Shares were issued and outstanding, the holders of which are entitled to one (1) vote for each Common Share held.

To the knowledge of Quarterhill's directors and senior officers, as at the Record Date, based on publicly available information, no person beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the Common Shares.

Advice to Non-Registered Holders of Common Shares

Only registered holders of Common Shares, or the persons they appoint as proxies, are permitted to attend and vote at the virtual Meeting and only if they have followed the requirements set out in this Circular. In many cases, however, Common Shares are beneficially owned by a shareholder (a "**Non-Registered Holder**") and are registered either:

1. in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares such as, among others, banks, trust companies, securities dealers, or brokers and trustees or administrators of self-administered RRSPs, TFSAs, RRIFs, RESPs and similar plans; or
2. in the name of The Canadian Depository for Securities Limited of which an Intermediary is a participant.

The Notice of Meeting, the Proxy and this Circular are being sent to both registered owners and Non-Registered Holders of Common Shares. If you are a Non-Registered Holder and we or our agent have sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

If you did not object to your Intermediary disclosing your name to Quarterhill, you will receive the Notice of Meeting and this Circular (collectively, the "**Meeting Materials**") and a request for voting instructions from Computershare, Quarterhill's transfer agent. If you objected to your Intermediary disclosing your name, you will receive the Meeting Materials from your Intermediary, together with either a request for voting instructions or a form of proxy. Typically, Intermediaries will use a service company (such as Broadridge Investor Communication Solutions Canada) to forward Meeting Materials to Non-Registered Holders.

If you received these materials from Computershare

By choosing to send these materials to you directly, Quarterhill (and not the Intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

If you do not wish to attend the virtual Meeting or to have another person attend and vote on your behalf, you should complete, sign and return the enclosed request for voting instructions in accordance with the directions provided. You may revoke your voting instructions at any time by written notice to Computershare, but Computershare is not required to honour the revocation of your voting instructions unless the revocation is received by 9:30 a.m. (Toronto, Ontario time) on April 19, 2022 or the last business day preceding any adjournment or postponement of the Meeting.

IF YOU WISH TO ATTEND THE VIRTUAL MEETING AND VOTE AT THE VIRTUAL MEETING (OR HAVE ANOTHER PERSON ATTEND AND VOTE ON YOUR BEHALF), YOU **MUST** COMPLETE, SIGN AND RETURN THE REQUEST FOR VOTING INSTRUCTIONS IN ACCORDANCE WITH THE DIRECTIONS PROVIDED AND A FORM OF PROXY WILL BE SENT TO YOU GIVING YOU (OR THE OTHER PERSON) THE RIGHT TO ATTEND AND VOTE AT THE VIRTUAL MEETING. YOU (OR THE OTHER PERSON) MUST FOLLOW THE INSTRUCTIONS IN THIS CIRCULAR TO OBTAIN A CONTROL NUMBER.

You should follow the instructions on the request for voting instructions and contact Kingsdale at 1-855-476-7980 or collect call from outside North America at 1-416-867-2272 or by Email at contactus@kingsdaleadvisors.com if you require assistance.

If you received these materials from your Intermediary

If you are a Non-Registered Holder and have received the Meeting Materials from your Intermediary or their service company, you will receive either a request for voting instructions or a form of proxy. The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. You should follow the procedures set out below, depending on which type of document you receive.

A. Request for Voting Instructions.

If you do not wish to attend the virtual Meeting or have another person attend and vote on your behalf, you should complete, sign and return the enclosed request for voting instructions in accordance with the directions provided. You may revoke your voting instructions at any time by written notice to your Intermediary, except that the Intermediary is not required to honour the revocation unless the revocation is received at least 7 days before the Meeting.

IF YOU WISH TO ATTEND THE VIRTUAL MEETING AND VOTE IN PERSON AT THE VIRTUAL MEETING (OR HAVE ANOTHER PERSON ATTEND AND VOTE ON THE YOUR BEHALF), YOU MUST COMPLETE, SIGN AND RETURN THE ENCLOSED REQUEST FOR VOTING INSTRUCTIONS IN ACCORDANCE WITH THE DIRECTIONS PROVIDED AND A FORM OF PROXY WILL BE SENT TO YOU GIVING YOU (OR THE OTHER PERSON) THE RIGHT TO ATTEND AND VOTE AT THE VIRTUAL MEETING.

IF YOU APPOINT ANOTHER PERSON TO ATTEND THE VIRTUAL MEETING AND VOTE YOUR COMMON SHARES ON YOUR BEHALF OTHER THAN THE QUARTERHILL OFFICERS NAMED IN THE FORM OF PROXY, THEN YOU MUST ALSO REGISTER YOUR PROXYHOLDER AFTER YOU HAVE SUBMITTED YOUR FORM OF PROXY OR VOTING INSTRUCTION REQUEST – FAILURE TO REGISTER YOUR CHOSEN PROXYHOLDER WILL RESULT IN THAT PERSON NOT RECEIVING A CONTROL NUMBER WHICH IS REQUIRED TO VOTE YOUR COMMON SHARES AT THE VIRTUAL MEETING. REGISTRATION MUST BE COMPLETED AT www.computershare.com/Quarterhill SO COMPUTERSHARE CAN PROVIDE YOUR PROXYHOLDER WITH A CONTROL NUMBER BY E-MAIL.

Please contact Kingsdale at 1-855-476-7980 or collect call from outside North America at 1-416-867-2272 or Email at contactus@kingsdaleadvisors.com if you require assistance.

WITHOUT A CONTROL NUMBER, PROXYHOLDERS WILL NOT BE ABLE TO VOTE AT THE VIRTUAL MEETING, BUT CAN ATTEND AS GUESTS.

B. Form of Proxy.

The form of proxy has been signed by the Intermediary (typically by a facsimile, stamped signature) and completed to indicate the number of Common Shares you beneficially own. Otherwise, the form of proxy will be incomplete.

If you do not wish to attend the virtual Meeting, you should complete the form of proxy in accordance with the instructions set out in the section titled "The Proxy" above.

IF YOU WISH TO ATTEND THE VIRTUAL MEETING AND VOTE IN PERSON, YOU **MUST** STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AND INSERT YOUR NAME IN THE BLANK SPACE PROVIDED.

IF YOU APPOINT ANOTHER PERSON TO ATTEND THE VIRTUAL MEETING AND VOTE YOUR COMMON SHARES ON YOUR BEHALF OTHER THAN THE QUARTERHILL OFFICERS NAMED IN THE FORM OF PROXY, THEN YOU MUST ALSO REGISTER YOUR PROXYHOLDER AFTER YOU HAVE SUBMITTED YOUR FORM OF PROXY OR VOTING INSTRUCTION REQUEST – FAILURE TO REGISTER YOUR CHOSEN PROXYHOLDER WILL RESULT IN THAT PERSON NOT RECEIVING A CONTROL NUMBER WHICH IS REQUIRED TO VOTE YOUR COMMON SHARES AT THE VIRTUAL MEETING. REGISTRATION MUST BE COMPLETED AT www.computershare.com/Quarterhill SO COMPUTERSHARE CAN PROVIDE YOUR PROXYHOLDER WITH A CONTROL NUMBER BY E-MAIL.

WITHOUT A CONTROL NUMBER, PROXYHOLDERS WILL NOT BE ABLE TO VOTE AT THE VIRTUAL MEETING, BUT CAN ATTEND AS GUESTS.

To be valid, proxies must be deposited with our Corporate Secretary at 25 King Street West, Suite 1101, Toronto, ON, M5L 2A1 or by fax to (613) 688-4894, or to Quarterhill's transfer agent and registrar, Computershare, at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1, Attention: Proxy Department in the envelope enclosed, by fax to Computershare at 1-866-249-7775 or (416) 263-9524 or by otherwise following Computershare's instructions, no later than 9:30 a.m. (Toronto, Ontario time) on April 19, 2022 or the last business day preceding any adjournment or postponement of the Meeting.

FOLLOW THE INSTRUCTIONS ON THE PROXY DOCUMENT WHICH YOU RECEIVED AND CONTACT YOUR INTERMEDIARY PROMPTLY IF YOU NEED ASSISTANCE.

United States Non-Registered Holders

For **UNITED STATES** Non-Registered Holders, for you to attend and vote at the Meeting, you must first obtain a legal proxy from your Intermediary (i.e. your broker, bank or other agent) and then register in advance to attend the Meeting. Follow the instructions from your Intermediary included with your proxy materials or contact your Intermediary to request a legal proxy form. After first obtaining a valid legal proxy from your Intermediary, to then register to attend the Meeting, you **MUST** submit a copy of your legal proxy to Computershare. Requests for registration should be directed by E-mail to: USLegalProxy@computershare.com or to: Computershare, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Canada.

Requests for registration must be labeled "Legal Proxy" and received no later than 9:30 am (Toronto, Ontario time) on April 19, 2022. You will then receive a confirmation of your registration by E-mail after we receive your registration materials and you can attend the Meeting and vote your Common Shares at <https://web.lumiagm.com/429372562> during the Meeting. Please note that this site may not be fully accessible on all Internet browsers and if you are unable to access this site on your browser, we suggest trying to access it via a different browser.

WITHOUT A CONTROL NUMBER, PROXYHOLDERS WILL NOT BE ABLE TO VOTE AT THE VIRTUAL MEETING, BUT CAN ATTEND AS GUESTS.

How to Attend and Participate at the Meeting

Quarterhill is holding the Meeting in a virtual only format which will be conducted via live audio Internet webcast. Shareholders will not be able to attend the virtual Meeting in person. We believe that shareholders should be able to participate in the Meeting in a meaningful way, including by asking questions, which remains important despite holding the Meeting virtually this year.

Attending the Meeting online will allow registered Quarterhill shareholders and duly appointed proxyholders (including Non-Registered Holders who have duly appointed themselves as proxyholders) to participate at the Meeting and ask questions at appropriate times during the Meeting, all in real time. Registered shareholders and duly appointed proxyholders will also be able to vote their Common Shares at the appropriate times during the Meeting. We anticipate shareholders will have substantially the same opportunity to ask questions on matters of business before the Meeting as they have in past years including when our annual shareholders' meeting was held in person.

Guests, including Non-Registered Holders who have not duly registered themselves as proxyholders can log into the Meeting as set out below. Guests can listen to the Meeting, but will not be able to vote any Common Shares at the Meeting.

- **Log in online at <https://web.lumiagm.com/429372562>. Please note that this site may not be fully accessible on all Internet browsers and if you are unable to access this site on your browser, we suggest trying to access it via a different browser. We recommend that you log in at least ONE HOUR prior to the start time of the Meeting.**
- **Click "Login" and, where prompted, enter your Control Number (see below) and Password "quarterhill2022" (case sensitive) – THE MEETING ID NUMBER IS: 429-372-562.**

OR

- **Click "Guest" and then complete the online form.**

For Control Numbers:

- registered shareholders: the control number located on the form of proxy or the E-mail confirmation sent to you is your Control Number; or
- duly appointed proxyholders (including those chosen by Non-Registered Holders): Computershare will provide the proxyholder with a Control Number by E-mail after the proxy voting deadline has passed and the proxyholder has been duly appointed **AND** registered as described above.

Possible Difficulties in Accessing the Meeting

Shareholders who have technical questions regarding the Meeting or the virtual portal for the Meeting or who require technical assistance accessing the Meeting website may be able to access technical support by clicking on the "Support" button on the Meeting website. Please note that the Meeting website may not be fully accessible on all Internet browsers and if you are unable to access this site on your browser, we suggest trying to access it via a different browser.

If you attend the Meeting online, you must be connected to the Internet at all times during the Meeting to vote your Common Shares when balloting commences. **You must allow ample time to log into the Meeting online and to complete all necessary procedures to be admitted into the Meeting. It is your responsibility to ensure connectivity for the entire duration of the Meeting. Note that if you lose Internet connectivity once the Meeting has commenced, there may not be sufficient time to resolve your connectivity issue before ballot voting is completed. Consequently, even if you**

currently plan to access the Meeting and vote during the live webcast, you should consider voting your Common Shares in advance or by proxy to ensure your vote will be counted if you do experience any technical difficulties or are otherwise unable to access the entirety of the Meeting.

PRESENTATION OF FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Quarterhill's Financial Statements and the auditor's report on the Financial Statements will be presented to shareholders at the Meeting. The Financial Statements will be mailed to shareholders who advised us or Computershare that they wished to receive them in accordance with applicable laws including pursuant to the Notice Package. In accordance with the provisions of the CBCA, the Financial Statements will only be presented at the Meeting and will not be voted on.

We expect to file an Annual Information Form for our financial year ended December 31, 2021 and our Financial Statements on SEDAR at www.sedar.com on or about March 22, 2022 which Annual Information Form and Financial Statements will contain, among other things, the financial disclosure (including copies of the MD&A) required under Multilateral Instrument 52-110 – *Audit Committees*. Item 9 of the Annual Information Form includes the information required to be disclosed in Form 52-110F1 of Multilateral Instrument 52-110.

ELECTION OF DIRECTORS

Majority Voting Policy

On March 5, 2013, our Board of Directors (the "**Board**") adopted a policy requiring that any nominee in an uncontested election who receives from the Common Shares voted in that election in person or by proxy a greater number of Common Shares withheld from voting than Common Shares voted in favour of their election, must immediately tender their resignation to the Board, to take effect upon acceptance by the Board. The Board will consider any such resignation and, within 90 days of receiving any such resignation, disclose by press release its decision whether to accept any such resignation and the reasons for its decision.

Advance Notice By-Law

At our June 18, 2014 annual and special meeting of shareholders, Quarterhill's shareholders adopted our By-Law No. 2 setting out principled requirements for shareholders to nominate directors prior to any meeting of Quarterhill shareholders at which directors are to be elected, and that had previously been adopted by the Board on May 16, 2014 (the "**Advance Notice By-Law**"). Complete copies of the Advance Notice By-Law can be found at Quarterhill's website and on SEDAR at www.sedar.com. Pursuant to the Advance Notice By-Law, for an annual shareholders' meeting, a shareholder nominating a person for election to the Board must provide notice to Quarterhill's Corporate Secretary not less than 30 nor more than 65 days prior to the date of the meeting (or, if the meeting is to be held less than 50 days after the date on which the first public announcement of the meeting's date was made, then notice must be given to Quarterhill not later than the close of business on the 10th day following such public announcement). For a special shareholders' meeting which is not also an annual meeting, a shareholder nominating a person for election to the Board must provide notice to Quarterhill's Corporate Secretary not later than the close of business on the 15th day following the date on which the first public announcement of the meeting's date was made. The Advance Notice By-Law ensures that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate prior notice of director nominations, as well as sufficient information concerning nominees, and can thereby exercise their voting rights in an informed manner. In addition, the Advance Notice By-Law assists in facilitating an orderly and efficient meeting process. The Advance Notice By-Law (together with certain amendments to our general By-Law No. 1) was approved by almost 88% of the Common Shares voted at our June 18, 2014 shareholders meeting.

Board Tenure Policy

The Board believes that the advantages of long service and experience by its members must be balanced with renewal and the introduction of fresh perspectives and varied skill sets of new directors, particularly as Quarterhill continues to grow into new business areas. On March 9, 2022, the Board adopted a policy setting limits to the maximum period any individual director may serve on the Board (the "**Tenure Policy**"). The Tenure Policy generally follows the recommendation published by the Capital Markets Modernization Taskforce (the "**Taskforce**") in its January 2021 final report prepared for the Government of Ontario (the "**Final Report**"). In the Final Report, the Taskforce recommended that the Government of Ontario:

"Amend Ontario securities legislation to set a 12-year maximum tenure limit for directors of publicly listed issuers, with an exception for (a) 15-year maximum tenure limit for the Chair of the board; (b) non-independent directors of family-owned and controlled businesses, where such nominees represent a minority of the board; and, (c) no more than one other director who will be deemed not to be independent, and will still have a 15-year limit. Issuers must implement this recommendation within three years of this amendment taking effect."

Quarterhill's Tenure Policy is identical to the Taskforce's recommendation except that it does not include item "(b)" because Quarterhill is not a "family-owned and controlled business". The Board intends that when Tenure Policy has been fully implemented (as further discussed below), it will function together with the Board's annual anonymous survey relating to the effectiveness of the Board and its members completed by all Board members and overseen by the Board's nominating committee (the "**Nominating Committee**") to assist in ongoing Board renewal.

To permit orderly Board renewal and ensure continuing proper governance and Board oversight in light of the adoption of the Tenure Policy, Quarterhill will implement a transition period for directors who have reached the maximum tenure under the Tenure Policy over the next three years starting at the Meeting. **In particular: (1) Messrs. Richard J. Shorkey and W. Paul McCarten, who have each served more than 12 years on the Board, are not standing for re-election at the Meeting; and (2) Messrs. John Gillberry and James D. Skippen, who have each served more than 12 years on the Board, have declared that they will not stand for re-election at Quarterhill's annual shareholders meeting in 2023.** The independent members of the Board believe it is imperative that Messrs. Gillberry and Skippen remain on the Board until the 2023 shareholders' meeting to provide critical oversight and guidance during a significant transition period for Quarterhill, specifically with respect to the current WiLAN strategic review, the onboarding of new Board members, continuity on the Audit Committee and oversight on current M&A activities.

The Nominees

The persons designated by Quarterhill management in the enclosed form of proxy for use at the Meeting intend to vote FOR the election of the 8 nominees whose names are set forth below as members of our Board to hold office until the next annual meeting of Quarterhill's shareholders or until the election of such director's successor, unless such director's office is earlier vacated in accordance with our by-laws.

Set forth on the following pages is information relating to each person proposed to be nominated by management for election as a director at the Meeting. Other than the Tenure Policy, Quarterhill does not have a term limit or retirement policy for our directors. The information provided below has been provided to us by the individuals themselves and has not been independently verified.

The information on the following pages includes the numbers of Common Shares and options to purchase Common Shares ("**Options**") existing under the Equity Plan that each person nominated for election to the Board has advised Quarterhill are beneficially owned, directly or indirectly, or over

which control or discretion is exercised, by them at February 28, 2022. None of these nominees holds any other types of awards under the Equity Plan.

The information on the following pages also indicates whether each such person is a member of the Board's audit committee ("**Audit Committee**"), compensation committee ("**Compensation Committee**"), environmental, social and governance committee ("**ESG Committee**") or Nominating Committee. The Board does not have an executive committee.

The Board recommends that shareholders vote FOR the election of each of its proposed nominees to serve on the Board until the next annual meeting of shareholders. **In the absence of a contrary instruction**, the persons designated by Quarterhill management in the enclosed form of proxy intend **to vote FOR the election of directors of the proposed nominees whose names and information are set out in the following pages, each of whom has been a member of the Board since the dates indicated.**



ROXANNE ANDERSON, Ottawa ON, Canada

Ms. Anderson is the CEO of March Advisory Inc. specializing in transformation and turnaround mandates, and Senior Vice-President and CFO of the Victorian Order of Nurses. Ms. Anderson has over 30 years of corporate transformation and turnaround experience, including strategic reviews, financial and operational transformation, turnarounds, risk management and governance across a number of industries but with an emphasis on technology.

From September 1985 to July 2012, Ms. Anderson was with PricewaterhouseCoopers LLP holding such roles as Managing Partner of the National Federal Government Services Practice and Managing Partner of the Ottawa office. Since June 2017, Ms. Anderson has been on the Board of Trustees of the Royal Ottawa Health Care Group and Vice Chair of its Finance, Audit and Advocacy Committees. In May 2016, Ms. Anderson was appointed a member of the Departmental Audit Committee for Shared Services Canada, a department of the Government of Canada. Ms. Anderson is the co-Chair of the Executive Committee of the Ottawa Chapter of the Institute of Corporate Directors.

Ms. Anderson holds B.Comm. and M.B.A. degrees from McMaster University, Hamilton ON, Canada, is a Fellow Chartered Professional Accountant and a Fellow Chartered Accountant in Ontario, Canada and holds the ICD.D designation from the Institute of Corporate Directors.

Ms. Anderson is an "independent" (as that term is defined in National Instrument 58-101 – *Corporate Governance Disclosure* ("**NI 58-101**") and Multilateral Instrument 52-110 – *Audit Committees* ("**MI 52-220**") member of the Board and is a member of the Audit Committee and Chair of the ESG Committee.

Skills & Expertise: Accounting & Finance; Corporate Governance; Corporate Transformation & Turnaround; Leadership; Mergers & Acquisitions; Risk Management; and Strategic Planning

Attendance at Board Meetings:

March 10, 2021	May 5, 2021	August 4, 2021	September 27, 2021	October 13, 2021	November 9, 2021	November 18, 2021	December 16, 2021
✓	✓	✓	✓	✓	✓	✓	✓

Attendance at Committee Meetings:

Nom Feb 2 2021	Comp Feb 10 2021	Gov Mar 3 2021	Audit Mar 10 2021	Audit May 5 2021	ESG June 23 2021	Audit Aug 4 2021	Audit Nov 9 2021	Comp Dec 10 2021	Audit Dec 16 2021	Comp Dec 16 2021	ESG Dec 16 2021	Nom Dec 17 2021
N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	✓	N/A	✓	N/A

Securities Held on February 28, 2022:

Common Shares: 98,891

Market Value of Common Shares: \$219,538 ⁽¹⁾

Minimum Equity Ownership: Attained

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Options Held on February 28, 2022:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
July 29, 2016	July 29, 2022	35,211	\$2.84	35,211	\$0
May 12, 2017	May 12, 2023	46,296	\$2.16	46,296	\$2,778
May 31, 2018	May 31, 2024	59,523	\$2.02	59,523	\$11,905
Aug 7, 2019	Aug 7, 2025	56,818	\$1.76	56,818	\$26,136
May 25, 2020	May 25, 2026	50,251	\$1.99	50,251	\$11,558
May 10, 2021	May 10, 2027	41,841	\$2.39	41,841	\$0

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Public Board Membership During Past 5 Years: None

Public Board Interlocks: None



DR. MICHEL TEWFIK FATTOUCHE, Calgary AB, Canada

Dr. Fattouche was one of the founders of the original Wi-LAN Inc., Quarterhill's corporate predecessor, in 1992 and is an inventor of some of the original patents granted to Wi-LAN Inc. From July 1986 to September 2013, Dr. Fattouche was a Professor of Electrical and Computer Engineering in the Schulich School of Engineering at the University of Calgary. He is currently an Emeritus Professor in the Department of Electrical and Computer Engineering in the Schulich School of Engineering. From May 1995 to October 2008, Dr. Fattouche held various other senior officer positions with Times Three Wireless Inc. (formerly Cell-Loc Location Technologies Inc.) and its predecessor, Cell-Loc Inc.

Director since: April 2020

Age: 65

Independent

Dr. Fattouche holds Ph.D. and Master of Applied Science degrees from the University of Toronto in Toronto, Ontario, a Bachelor of Science degree in Electrical Engineering from the University of Cairo in Cairo, Egypt and a Bachelor of Science degree in Applied Mathematics from Ain-Shams University in Cairo, Egypt.

Dr. Fattouche is an "independent" (as that term is defined in NI 58-101 and MI 52-110) member of the Board. Dr. Fattouche is a member of each of the ESG Committee and the Nominating Committee.

Skills & Expertise: Corporate Governance; Executive Compensation; Leadership; Patent Licensing & Litigation; Public Company Management; Risk Management; Strategic Planning; and Technology

Attendance at Board Meetings:

March 10, 2021 ✓	May 5, 2021 ✓	August 4, 2021 ✓	September 27, 2021 ✓	October 13, 2021 ✓	November 9, 2021 ✓	November 18, 2021 ✓	December 16, 2021 ✓
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Attendance at Committee Meetings:

Nom Feb 2 2021 N/A	Comp Feb 10 2021 ✓	Gov Mar 3 2021 ✓	Audit Mar 10 2021 N/A	Audit May 5 2021 N/A	ESG June 23 2021 ✓	Audit Aug 4 2021 N/A	Audit Nov 9 2021 N/A	Comp Dec 10 2021 N/A	Audit Dec 16 2021 N/A	Comp Dec 16 2021 N/A	ESG Dec 16 2021 ✓	Nom Dec 17 2021 ✓
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Securities Held on February 28, 2022:

Common Shares: 1,922,494 **Market Value of Common Shares:** \$4,267,937 ⁽¹⁾

Minimum Equity Ownership: Attained

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Options Held on February 28, 2022:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
July 29, 2016	July 29, 2022	35,211	\$2.84	35,211	\$0
May 12, 2017	May 12, 2023	46,296	\$2.16	46,296	\$2,778
May 25, 2020	May 25, 2026	50,251	\$1.99	50,251	\$11,558
May 10, 2021	May 10, 2027	41,841	\$2.39	41,841	\$0

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Public Board Membership During Past 5 Years: None

Public Board Interlocks: None



JOHN KENDALL GILLBERRY, Chesley ON, Canada

Mr. Gillberry has been Chairperson of the Board since April 1, 2019 and a member of the Board since 2005. He has been a member of a number of private and public boards of directors and brings that experience to Quarterhill as Chairperson of the Board, Chair of the Nominating Committee and a member of the Audit and Compensation Committees.

Mr. Gillberry is the Founder and President of Bayfield Capital Group, a corporate finance advisory firm. Mr. Gillberry is the former President & Chief Executive Officer of Lendified Holdings Inc. He was the Chief Executive Officer of Coreworx Inc. from February 2017 to October 2018. He was a member of the board of GuestLogix Inc. from March 2015 to September 2016, and its interim Chief Executive Officer from September 2015 to September 2016.

Mr. Gillberry holds a Master of Business Administration degree from the University of Western Ontario in London, Ontario.

Mr. Gillberry is an "independent" (as that term is defined in NI 58-101 and MI 52-110) member of the Board, is Chairperson of the Board, a member of each of the Audit Committee and the Compensation Committee and is the Chair of the Nominating Committee.

Skills & Expertise: Accounting & Finance; Corporate Governance; Executive Compensation; Leadership; Mergers & Acquisitions; Public Company Management; Risk Management; Strategic Planning; and Technology

Attendance at Board Meetings:

March 10, 2021 ✓	May 5, 2021 ✓	August 4, 2021 ✓	September 27, 2021 ✓	October 13, 2021 ✓	November 9, 2021 ✓	November 18, 2021 ✓	December 16, 2021 ✓
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Attendance at Committee Meetings:

Nom Feb 2 2021 ✓	Comp Feb 10 2021 ✓	Gov Mar 3 2021 N/A	Audit Mar 10 2021 ✓	Audit May 5 2021 ✓	ESG June 23 2021 N/A	Audit Aug 4 2021 ✓	Audit Nov 9 2021 ✓	Comp Dec 10 2021 ✓	Audit Dec 16 2021 ✓	Comp Dec 16 2021 ✓	ESG Dec 16 2021 N/A	Nom Dec 17 2021 ✓
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Securities Held on February 28, 2022:

Common Shares: 115,364

Market Value of Common Shares: \$256,108 ⁽¹⁾

Minimum Equity Ownership: Attained

⁽¹⁾ Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Options Held on February 28, 2022:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
July 29, 2016	July 29, 2022	35,211	\$2.84	35,211	\$0
May 12, 2017	May 12, 2023	46,296	\$2.16	46,296	\$2,778
May 31, 2018	May 31, 2024	59,523	\$2.02	59,523	\$11,905
Aug 7, 2019	Aug 7, 2025	56,818	\$1.76	56,818	\$26,136
May 25, 2020	May 25, 2026	50,251	\$1.99	50,251	\$11,558
May 10, 2021	May 10, 2027	41,841	\$2.39	41,841	\$0

⁽¹⁾ Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Public Board Membership During Past 5 Years: DataWind Inc. (from July 2014 to October 2016), GuestLogix Inc. (March 2015 to September 2016); Imagination Park Entertainment Inc. (from June 2018 to February 2019); Lendified Holdings Inc. (from October 2020 to December 2021).

Public Board Interlocks: None



BRET KIDD, Dallas TX, United States

Mr. Kidd has been Quarterhill's President & Chief Executive Officer since December 15, 2021. He was previously President & Chief Executive Officer of our Electronic Transaction Consultants, LLC subsidiary where he remains Chairperson of their board of directors. Before he joined ETC, Mr. Kidd led a US\$400 million travel agency-technology unit for Travelport, LP as well as its global airline SAAS and analytics unit. Mr. Kidd has more than 25 years of professional experience including high level positions with Stratos Management Systems, Hewlett Packard Enterprise, Spencer Stewart, and Electronic Data Systems.

Director since: Dec 2021

Age: 54

Not Independent

Mr. Kidd holds a Bachelor of Business Administration degree in Management from Texas A&M University and a Master of Business Administration degree from Harvard Business School and is member of multiple industry organizations.

Mr. Kidd is Quarterhill's President & Chief Executive Officer and, as such, is not an "independent" (as that term is defined in NI 58-101 and MI 52-110) member of the Board. Mr. Kidd does not serve on any Board committees.

Skills & Expertise: Accounting & Finance; Corporate Governance; Executive Compensation; Leadership; Mergers & Acquisitions; Risk Management; Strategic Planning; Technology; and Transportation Systems

Attendance at Board Meetings:

March 10, 2021 N/A	May 5, 2021 N/A	August 4, 2021 N/A	September 27, 2021 N/A	October 13, 2021 N/A	November 9, 2021 N/A	November 18, 2021 N/A	December 16, 2021 ✓
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Attendance at Committee Meetings:

Nom Feb 2 2021 N/A	Comp Feb 10 2021 N/A	Gov Mar 3 2021 N/A	Audit Mar 10 2021 N/A	Audit May 5 2021 N/A	ESG June 23 2021 N/A	Audit Aug 4 2021 N/A	Audit Nov 9 2021 N/A	Comp Dec 10 2021 N/A	Audit Dec 16 2021 N/A	Comp Dec 16 2021 N/A	ESG Dec 16 2021 N/A	Nom Dec 17 2021 N/A
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Securities Held on February 28, 2022:

Common Shares: 0

Market Value of Common Shares: \$2.22 ⁽¹⁾

Minimum Equity Ownership: Not Attained – Mr. Kidd has until 2026 to achieve his minimum equity ownership goal

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Options Held on February 28, 2022:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
Sept 1, 2021	Sept 1, 2027	475,000	\$2.70	475,000	\$0

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Public Board Membership During Past 5 Years: None

Public Board Interlocks: None



RUSTY LEWIS, Pennsylvania, USA

Mr. Lewis is a Senior Advisor to Brown Brothers Harriman Capital Partners, From 2015 to 2018, Mr. Lewis served as the Head of Brown Brothers Harriman's Philadelphia Office for Private Banking. He is also Chairman of the Board of Directors of Binswanger, a US private, full-service commercial real estate company.

Mr. Lewis has over 30 years of senior-level management experience as an owner and CEO of multiple private businesses and as a senior executive and director of several public companies. Prior to heading Brown Brothers Harriman's Philadelphia office, he was the CEO of Zinio, a digital magazine newsstand application. Prior to Zinio, Mr. Lewis retired from VeriSign after having served in multiple positions, including Executive Vice President of Strategic Development and Executive Vice President and General Manager of the Naming and Directory Services business unit. From 1986 to 1994, Mr. Lewis owned and managed Transcore, which led the market in RFID electronic toll collection systems. He ultimately sold Transcore to SAIC (most recently owned by Roper Industries) in 1994.

Mr. Lewis is a graduate of Haverford College, Haverford, Pennsylvania, USA and holds an MBA from Harvard Business School in Cambridge, Massachusetts, USA.

If elected at the Meeting, Mr. Lewis will be an "independent" (as that term is defined in NI 58-101 and MI 52-110) member of the Board.

Skills & Expertise: Accounting & Finance; Corporate Governance; Executive Compensation; Leadership; Mergers & Acquisitions; Risk Management; Strategic Planning; Technology; and Transportation Systems

Attendance at Board Meetings:

March 10, 2021	May 5, 2021	August 4, 2021	September 27, 2021	October 13, 2021	November 9, 2021	November 18, 2021	December 16, 2021
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Attendance at Committee Meetings:

Nom Feb 2 2021	Comp Feb 10 2021	Gov Mar 3 2021	Audit Mar 10 2021	Audit May 5 2021	ESG June 23 2021	Audit Aug 4 2021	Audit Nov 9 2021	Comp Dec 10 2021	Audit Dec 16 2021	Comp Dec 16 2021	ESG Dec 16 2021	Nom Dec 17 2021
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Securities Held on February 28, 2022:

Common Shares: 0

Market Value of Common Shares: \$0 ⁽¹⁾

Minimum Equity Ownership: Not Attained

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Options Held on February 28, 2022:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
N/A	N/A	N/A	N/A	N/A	N/A

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Public Board Membership During Past 5 Years: None

Public Board Interlocks: None



JAMES DOUGLAS SKIPPEN, Ottawa ON, Canada

Mr. Skippen has been the Vice-Chairperson of Quarterhill since April 2, 2019, prior to which he was Chairman since April 18, 2017 and Quarterhill's President & Chief Executive Officer from 2006 to April 18, 2017. Mr. Skippen became semi-retired in 2017 although, in addition to being Quarterhill's Vice-Chairperson, he currently serves as a member of the Boards of Directors or Advisory Boards of certain private companies.

Prior to 2018, Mr. Skippen served in a variety of senior executive roles including Chief Executive Officer, Senior Vice-President, Patent Licensing and General Counsel for various companies for more than 20 years. He has also been a partner and an associate in two major Canadian law firms and has been an Ontario lawyer since 1988.

Director since: June 2006

Age: 59

Independent

Mr. Skippen is an "independent" (as that term is defined in NI 58-101 and MI 52-110) member of the Board. Mr. Skippen does not serve on any Board committees.

Skills & Expertise: Accounting & Finance; Corporate Governance; Executive Compensation; Leadership; Legal Generally; Mergers & Acquisitions; Patent Licensing & Litigation; Public Company Management; Risk Management; Strategic Planning; Technology

Attendance at Board Meetings:

March 10, 2021	May 5, 2021	August 4, 2021	September 27, 2021	October 13, 2021	November 9, 2021	November 18, 2021	December 16, 2021
✓	✓	✓	✓	✓	✓	✓	✓

Attendance at Committee Meetings:

Nom Feb 2 2021 N/A	Comp Feb 10 2021 N/A	Gov Mar 3 2021 N/A	Audit Mar 10 2021 N/A	Audit May 5 2021 N/A	ESG June 23 2021 N/A	Audit Aug 4 2021 N/A	Audit Nov 9 2021 N/A	Comp Dec 10 2021 N/A	Audit Dec 16 2021 N/A	Comp Dec 16 2021 N/A	ESG Dec 16 2021 N/A	Nom Dec 17 2021 N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Securities Held on February 28, 2022:

Common Shares: 320,800 ⁽¹⁾ **Market Value of Common Shares:** \$712,176 ⁽²⁾

Minimum Equity Ownership: Attained

(1) All Common Shares held by a corporation controlled by a trust in which Mr. Skippen and his spouse are 2 of the trustees.

(2) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Options Held on February 28, 2022:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
Sept 10, 2018	Sept 10, 2024	39,473	\$2.28	39,473	\$0
Aug 7, 2019	Aug 7, 2025	56,818	\$1.76	56,818	\$26,136
May 25, 2020	May 25, 2026	50,251	\$1.99	50,251	\$11,558
May 10, 2021	May 10, 2027	41,841	\$2.39	41,841	\$0

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Public Board Membership During Past 5 Years: Imagination Park Entertainment Inc. (from June 2018 to February 2019)

Public Board Interlocks: None



PAMELA STEER, Toronto ON, Canada

Pamela Steer, FCPA, FCA, CFA, is a member of the Board of Directors of the City of Toronto Investment Board, which is responsible for controlling and managing the investment of funds not immediately required by the City of Toronto including managing a large portfolio of investments on behalf of the City of Toronto. Ms. Steer is also a founding member of the Advisory Board of the Institute for Sustainable Finance and a member of the Board of Directors of Michael Garron Hospital in Toronto. From June 2019 to January 2021, Ms. Steer served, initially, as Chief Financial Officer and, subsequently, as Chief Financial and Corporate Strategy Officer for Payments Canada, the organization that owns and operates Canada's payment clearing and settlement infrastructure. From May 2012 to May 2019, Ms. Steer was, initially, Vice-President, Finance and, subsequently, Chief Financial Officer and Head, Finance and Employer Services for Ontario's Workplace Safety and Insurance Board.

Director since: N/A
Age: 52
Independent

Ms. Steer has over 20 years of experience in accounting and finance from a variety of public and private corporations and professional services providers.

Ms. Steer holds a Master of Accounting degree from the University of Waterloo in Waterloo, Ontario, holds a CPA Fellow (FCPA, FCA) designation from the Chartered Professional Accountants of Canada. She holds the Chartered Financial Analyst designation from the CFA Institute and the Chartered Business Valuator designation from The Canadian Institute of Chartered Business Valuators. Ms. Steer was awarded the title of Canada's CFO of the Year in 2019.

If elected at the Meeting, Ms. Steer will be an "independent" (as that term is defined in NI 58-101 and MI 52-110) member of the Board.

Skills & Expertise: Accounting & Finance; Corporate Governance; Executive Compensation; Leadership; Risk Management; and Strategic Planning

Attendance at Board Meetings:

March 10, 2021	May 5, 2021	August 4, 2021	September 27, 2021	October 13, 2021	November 9, 2021	November 18, 2021	December 16, 2021
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Attendance at Committee Meetings:

Nom Feb 2 2021	Comp Feb 10 2021	Gov Mar 3 2021	Audit Mar 10 2021	Audit May 5 2021	ESG June 23 2021	Audit Aug 4 2021	Audit Nov 9 2021	Comp Dec 10 2021	Audit Dec 16 2021	Comp Dec 16 2021	ESG Dec 16 2021	Nom Dec 17 2021
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Securities Held on February 28, 2022:

Common Shares: 0

Market Value of Common Shares: \$0 ⁽¹⁾

Minimum Equity Ownership: Not Attained

(2) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Options Held on February 28, 2022:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
N/A	N/A	N/A	N/A	N/A	N/A

(2) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Public Board Membership During Past 5 Years: No

Public Board Interlocks: None



ANNA TOSTO, Ottawa ON, Canada

Ms. Tosto is a partner of the law firm of Fasken Martineau DuMoulin LLP with a practice focussing on corporate financing for the technology and transportation sectors including assisting her clients on asset-based finance as well as mergers, acquisitions, reorganizations and large contract negotiations.

She articulated and began her legal career as an associate in the Ottawa office of Gowlings WLG. From there, she moved to McCarthy Tétrault, ultimately becoming the office managing partner. After 20 years at McCarthy's, she moved to Fasken's.

Ms. Tosto holds an LLB from the University of Ottawa in Ottawa, Ontario and was an undergraduate student in History and Political Science at the University of Toronto, St. Michael's College and is member of the Law Society of Ontario as well as multiple industry organizations.

Ms. Tosto is an "independent" (as that term is defined in NI 58-101 and MI 52-110) member of the Board and is a member of the Compensation Committee and the ESG Committee.

Director since: April 2021

Age: 59

Independent

Skills & Expertise: Accounting & Finance; Corporate Governance; Executive Compensation; Legal Generally; Mergers & Acquisitions; Strategic Planning; Risk Management; Technology; and Transportation Systems

Attendance at Board Meetings:

March 10, 2021 N/A	May 5, 2021 ✓	August 4, 2021 ✓	September 27, 2021 ✓	October 13, 2021 ✓	November 9, 2021 ✓	November 18, 2021 ✓	December 16, 2021 ✓
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Attendance at Committee Meetings:

Nom Feb 2 2021 N/A	Comp Feb 10 2021 N/A	Gov Mar 3 2021 N/A	Audit Mar 10 2021 N/A	Audit May 5 2021 N/A	ESG June 23 2021 ✓	Audit Aug 4 2021 N/A	Audit Nov 9 2021 N/A	Comp Dec 10 2021 ✓	Audit Dec 16 2021 N/A	Comp Dec 16 2021 ✓	ESG Dec 16 2021 ✓	Nom Dec 17 2021 N/A
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Securities Held on February 28, 2022:

Common Shares: 0

Market Value of Common Shares: \$0 ⁽¹⁾

Minimum Equity Ownership: Not Attained – Ms. Tosto has until 2026 to achieve her minimum equity ownership goal

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Options Held on February 28, 2022:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
May 10, 2021	May 10, 2027	41,841	\$2.39	41,841	\$0

(1) Based on the TSX closing price of the Common Shares of \$2.22 on February 28, 2022.

Public Board Membership During Past 5 Years: None

Public Board Interlocks: None

Management does not contemplate that any of the Board nominees listed above will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the Proxy reserve the right to vote for any nominee in their discretion unless the shareholder has specified in the Proxy that such shareholder's Common Shares are to be withheld from voting in the election of directors.

Corporate Cease Trade Orders or Bankruptcy

Except as set forth below, to Quarterhill's knowledge, none of the proposed directors:

- (a) is at the date hereof or has been, in the last 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including Quarterhill, that (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the proposed director was acting in such capacity; or (ii) 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;
- (b) is at the date hereof or has been in the 10 years before the date hereof, a director or executive officer of a company, including Quarterhill that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; and
- (c) has, within the last 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Mr. Gillberry was a director of GuestLogix Inc. from March 2015 to September 2016 and was its interim chief executive officer from September 2015 to September 2016. We understand that: (1) the Ontario Superior Court of Justice granted an initial order under the *Companies' Creditors Arrangement Act* (Canada) on February 9, 2016 staying all claims and actions against GuestLogix and its assets and allowing it to prepare a plan of compromise or arrangement for its creditors; (2) GuestLogix's securities were suspended from trading on the TSX on February 9, 2016 while it conducted a review of whether it met the TSX's listing requirements; and (3) on February 18, 2016, the TSX notified GuestLogix that its securities would be delisted from the TSX effective March 18, 2016 for failure to meet the applicable listing conditions.

Mr. Gillberry was also a director of DataWind Inc. from July 2014 to October 2016. We understand that DataWind was subject to a cease trade order from September 7, 2016 to November 25, 2016 and a management cease trade order effective July 6, 2016 by the Ontario Securities Commission for failure to file its audited financial statements and related materials for its financial year ended March 31, 2016 and its interim unaudited financial statements and related materials for the 3-month period ended June 30, 2016, which cease trade orders were revoked on November 25, 2016.

Board Skills and Experience

The members of the Board have identified skills, competencies and experience in the following areas as being important to the Board's contribution to Quarterhill's long-term strategic success:

- Accounting & Finance – meaning being a Chartered Professional Accountant or having a similar designation or being "financially literate" as defined in applicable laws;

- Corporate Governance – meaning having current or former experience helping to guide the governance principles of organizations similar to Quarterhill, having professional experience in corporate governance;
- Executive Compensation – meaning having current or former significant experience in human resources generally and/or determining and monitoring compensation matters for organizations similar to Quarterhill, negotiating executive employment agreements and/or designing and implementing incentive and equity plans for organizations similar to Quarterhill;
- Leadership – meaning having had a senior officer and/or managerial role in organizations similar to Quarterhill with direct reports and responsibilities over principal business units, divisions or functions of those organizations and/or having a policy-making function for those organizations;
- Legal – meaning being a current or former practicing corporate attorney, lawyer, solicitor or barrister;
- Mergers & Acquisitions – meaning having proven experience in mergers and acquisitions from an accounting, business, finance and/or legal perspective;
- Patent Licensing & Litigation – meaning having significant proven experience in negotiating and/or advising on the negotiation of patent licenses and other patent monetization structures and/or having proven experience in patent litigation from a business or legal perspective;
- Public Company Management – meaning having current or former experience as a senior executive of a publicly-listed company and/or as a professional advising the board of directors of a publicly-listed company;
- Risk Management – meaning having significant proven experience in identifying and assessing risks to the business, assets and reputation of organizations similar to Quarterhill and implementing solutions to address and alleviate those risks;
- Strategic Planning – meaning having significant proven experience in identifying and assessing the business, priorities, stakeholder ambitions and aspirations of organizations similar to Quarterhill to define their organizational strategies and directions and implementing solutions to align these matters through budgeting, finance, staffing and other areas to guide those organizations to pursue those strategies and directions;
- Technology – meaning having educational background in technology, current or former professional experience in advising on technology matters from a business perspective and/or current or former experience as a senior executive of a technology organization; and
- Transportation Systems – meaning having had a senior officer, managerial and/or advisory role in organizations in the transportation and/or intelligent transportation industries including having current or former experience as a senior executive of such an organization, as a professional advising the board of directors and/or management of such an organization and/or having significant industry relationships with such an organization.

The matrix below is provided to assist shareholders in identifying which nominees to the Board have the skills, competencies and experiences identified above. The matrix is also a tool designed to assist the ESG Committee and the Board in identifying the appropriate talent and expertise against the competitive landscape in which we conduct our businesses.

Competencies and Experience	Roxanne Anderson	Michel Fattouche	John Gillberry	Bret Kidd	Rusty Lewis	James D. Skippen	Pamela Steer	Anna Tosto
Accounting & Finance	✓		✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓
Executive Compensation		✓	✓	✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	✓	✓	
Legal						✓		✓
Mergers & Acquisitions	✓		✓	✓	✓	✓		✓
Patent Licensing & Litigation		✓	✓			✓		
Public Company Management		✓	✓	✓		✓		
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓
Technology	✓	✓	✓	✓	✓	✓		✓
Transportation Systems		✓		✓	✓			✓

STATEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Quarterhill understands that we and our operating subsidiaries have important roles in advancing material environmental, social and governance matters that are of increasing importance to us and to our various stakeholders including our shareholders, customers, suppliers and employees and their families and communities (collectively, "**ESG Matters**"). The Board's ESG Committee has been tasked with developing, implementing and assessing effective processes and practices relating to ESG Matters, including updating our shareholders as to ESG Matters in our annual management information circular disclosure. Quarterhill has adopted an Environmental, Social and Governance Statement (the "**ESG Statement**") to enhance these processes and practices, and to communicate our commitment to ESG Matters to our various stakeholders. A copy of the ESG Statement can be found at our website at www.quarterhill.com.

With respect to "environmental" matters, Quarterhill's businesses and our employees are working to produce positive effects to the environment including by endeavouring to implement practices such as the following:

- our Intelligent Transportation Systems industry businesses and their product and service offerings are specifically focused on assisting governmental authorities at various levels in various jurisdictions to enhance the efficiency of their transportation networks, reducing greenhouse gas emissions from commercial vehicles (including optimizing fuel consumption where possible), enhancing safety and quality of life of road users (including both motorists and more vulnerable users such as pedestrians and cyclists), reducing consumers' use of and reliance on fossil fuels, and to assist in the efficient move away from a reliance on revenues from fossil fuel taxes to build and maintain road systems to a user pay basis in which road use tolls pay for such systems;
- relying on responsible and commercially standard practices to help reduce the environmental impacts of our manufacturing, installation and maintenance operations, the operation of which necessarily result in the use of power to operate equipment, emissions from certain industry-standard industrial processes and more general emissions from the receipt and shipment of materials and finished products and the installation and maintenance of those products;
- otherwise working to reduce energy consumption where commercially reasonable by optimizing lighting and HVAC schedules at our various corporate premises and encouraging our various landlords use reduced consumption products such as LED lightbulbs, recycled paper products and water conservation tools in these premises;
- our employees being encouraged to recycle where possible and appropriate both at our various corporate premises and when they work from home where recycling programs are available;
- our use of the Canadian Securities Administrators' "notice-and-access" system permitting us to send this Circular and all related materials for the Meeting to our shareholders, which we expect will significantly reduce our use of paper from our 2021 printing of more than 500,000 pieces of 8½ x 11 inch sheets, weighing more than 550 lbs, that were sent by mail and courier to more than 16,000 Quarterhill shareholders for our annual shareholders' meeting that year;
- greater reliance on communication technologies enabling remote collaboration between employees and between employees and customers and suppliers to reduce travel where possible and appropriate; and
- a general reduction of paper use where possible and appropriate including to reduce the movement of physical documents.

With respect to "social" matters, Quarterhill has adopted policies that reflect our respect for the people who make our businesses possible as well as the people who provide services to our customers and suppliers together with the broader communities in which all of these people live and work including with respect to the following:

- we have exceptionally talented teams in each of our operating subsidiaries and in Quarterhill itself, with individuals coming from diverse backgrounds bringing their highly developed skills to our businesses – we value each of our individual employees and all of their respective contributions that advance our goals and, as such, we are committed to fostering a culture that provides them with meaningful opportunities to grow in their careers and motivates them to deliver their best, which, in turn, we believe will deliver increasing value to our shareholders and other stakeholders;
- we have adopted an over-arching Human Rights Statement (the "**Human Rights Statement**") to communicate our commitments and values relating to diversity and inclusion including, where appropriate, "affirmative action", to our various stakeholders, a copy of which Human Rights Statement can be found at our website at www.quarterhill.com;
- we have also adopted diversity policies relating to the identification and nomination of new Board members and the hiring of all employees including members of senior management, which policies recognize that we are committed to a merit-based system for nomination and hiring within a diverse and inclusive culture that is free from conscious and unconscious bias and discrimination while always considering candidates for all roles based on their respective merits and balancing their respective backgrounds, skills, experience and knowledge but also taking into account such considerations as gender, age, aboriginal status, disabilities, visible minority status and other important personal characteristics;
- deriving from the worldwide COVID-19 pandemic, Quarterhill and its operating subsidiaries have moved employees to a flexible "work-from-home" model where possible and appropriate subject to individual employees' own preferences and requirements around manufacturing, installation, maintenance and testing, whereby out of our and our operating subsidiaries' 558 total employees at February 28, 2022, all but 154 employees are currently working from home on at least a part-time basis, with the vast majority of such employees working from home on a close to full-time basis, in relation to which we and our operating subsidiaries are providing such employees with appropriate physical assets and Internet access where appropriate to facilitate their working from home, together with access to mental health and other resources to assist our employees in these changing and uncertain times; and
- together with our operating subsidiaries, we generally offer a wide variety of important group benefits including medical, dental, prescription and mental health resources that are customized to market preferences in the places in which we and our subsidiaries conduct their businesses.

With respect to "governance" matters, Quarterhill is committed to conducting its businesses in an ethical manner and has adopted a Code of Business Conduct and Ethics (the "**Code**") (a copy of which Code can be found at our website at www.quarterhill.com). The Code incorporates by reference each of our insider trading policy, our corporate disclosure and confidentiality policy and our whistleblower protection policy on financial matters (copies of each of which can be found at our website at www.quarterhill.com) (collectively, the "**Policies**"). The Code and the Policies are internal facing requirements setting out our expectations as to how our people conduct themselves in their business dealings and performance of duties and are expected to be complied with in letter and spirit. All of our Board members and Quarterhill's and our operating subsidiaries respective employees are responsible for reading, understanding and complying with the Code and the Policies and annually certifying in writing that they understand each provision of the Code and the Policies and have conducted themselves in compliance with the Code and the Policies over the preceding 12 months.

In addition to the foregoing, Quarterhill recognizes that the area around ESG Matters continues to develop and offers opportunities for us to grow and revise our practices. Both Quarterhill management and our ESG Committee are committed to regularly reviewing all ESG Matters impacting our businesses and the regulatory landscape relating to those ESG Matters generally and as to their reporting and disclosure to our shareholders.

STATEMENT OF EXECUTIVE COMPENSATION

The disclosure provided in this Statement of Executive Compensation is provided to communicate to our shareholders about executive compensation paid by Quarterhill in its year ended December 31, 2021 and the decision-making process relating to that compensation.

Compensation Committee

The members of the Compensation Committee are Paul McCarten (Chair), John Gillberry and Anna Tosto, each of whom is an "independent" director as such term is defined in Section 1.4 of National Instrument 52-110 – *Audit Committees*. Each of the Compensation Committee members has extensive, direct experience in the area of executive compensation through executive experience and/or membership on boards of directors of public or private entities (each member of the Compensation Committee has experience serving on such boards) and, as such, possesses a thorough understanding of employee and executive compensation. The Board believes that the members of the Compensation Committee are qualified to fulfill their duties.

The Compensation Committee relies, in part, on input from our management to assess individual executive and corporate performance for our directors and executive officers. The Compensation Committee also has the authority to retain independent advisors to provide advice on our compensation practices.

A copy of the Compensation Committee's Charter that sets out the responsibilities, powers and operation of the Compensation Committee is available at our website at www.quarterhill.com.

Compensation Consultant

No compensation consultant or advisor was retained to assist the Board or the Compensation Committee in determining compensation for any of our Directors or executive officers in the financial year ended December 31, 2021 and no amounts were paid to any such compensation consultant or advisor in the financial years ended December 31, 2021 or 2020.

Managing Compensation-Related Risk

Hedging Prohibition

As part of Quarterhill's insider trading policy, our employees and Directors are prohibited from entering into short sales of Quarterhill securities and, other than with respect to Quarterhill issued Options and other securities, from purchasing any put or call options with respect to any Quarterhill securities to specifically prohibit the purchase of financial instruments designed to hedge or offset a decrease in the market value of Common Shares.

Compensation Risk Assessment and Mitigation

The Compensation Committee reviews Quarterhill's compensation practices and policies at least annually and more often if required to deal with specific issues arising between annual reviews. The Compensation Committee and the Board have implemented policies designed to mitigate risk in our compensation policies and practices including the following:

- the Compensation Committee's annual review of our compensation practices ensures that (1) we compensate our executive officers satisfactorily to ensure Quarterhill does not lose

employees with critical skills, (2) executive officers have sufficient "at risk" compensation to align their interests with those of our shareholders and (3) our executive officers are motivated to continually improve Quarterhill and our business;

- a significant portion of each executive officer's target compensation under our new executive officer long-term incentive plan is performance-based, "at risk" and aligned to shareholder interests as it depends on the long-term movement of the market price of our Common Shares;
- the target performance metrics for any performance restricted stock units ("**PRSUs**") to issue into Common Share-vesting restricted stock units ("**RSUs**"), and the vesting periods, performance targets and hold periods for Options, RSUs and Common Shares issuing from performance stock units ("**PSUs**") have been implemented both to mitigate the risk of executive officers generating short-term benefits and to tie compensation to corporate performance and our Common Share price;
- under our current executive officer long-term incentive plan, PRSUs make up between 30.0% and 63.3% of the incentive compensation of each executive officer of Quarterhill and its subsidiaries and are substantially linked to Quarterhill's revenues and earnings thereby aligning our executive officers' interests directly with our shareholders' interests;
- in addition to cash incentives, any increases to base salary and the determination of any PRSU and Option awards and grants of RSUs pursuant to previously granted PRSUs under our executive officer long-term incentive plan are largely based on Quarterhill's and executive officers' respective annual performance, thereby providing a strong pay-for-performance link;
- the Minimum Equity Ownership Requirements (discussed under the heading "Minimum Equity Ownership Requirement" below) are intended both to align Quarterhill's executive officers' personal interests with those of all shareholders and to encourage them not to risk their equity positions for short-term gains; and
- the terms of our insider trading policy ensure that Options, deferred stock units ("**DSUs**"), RSUs, PSUs and any other Common Share-based awards ("**Other Share Based Awards**") under the Equity Plan (collectively, "**Awards**") cannot be granted when Quarterhill has undisclosed material information.

Quarterhill also has an executive compensation clawback policy described under the heading "Executive Clawback Policy" below (the "**Clawback Policy**"). The Clawback Policy addresses situations in which business activities have been undertaken by executive officers that engaged in gross negligence, intentional misconduct or fraud that require the restatement of all or a portion of our financial statements.

Based on Quarterhill's compensation practices and policies, the Compensation Committee and Board have concluded that there does not appear to be any risks arising from the compensation programs that are reasonably likely to have a material adverse effect on Quarterhill at this time. Our employees are highly sought after, so Quarterhill must ensure that its compensation programs are competitive, or we risk losing valuable and skilled employees.

Named Executive Officers

For the year ended December 31, 2021, for the purposes of National Instrument 51-102 – *Continuous Disclosure Obligations*, Quarterhill's "named executive officers" (collectively, the "**Named Executive Officers**") are:

- Bret Kidd, our President & Chief Executive Officer since December 15, 2021;
- Paul Hill, our former President & Chief Executive Officer to December 15, 2021;
- John Rim, our former Chief Financial Officer to February 18, 2022;

- Rish Malhotra, President & Chief Executive Officer of IRD;
- Michael Vladescu, President & Chief Executive Officer of WiLAN; and
- Prashant Watchmaker, our Senior Vice-President, General Counsel & Corporate Secretary.

Named Executive Officers are generally not present for, nor do they participate in, Compensation Committee or Board discussions or approvals relating to their own compensation.

Compensation Discussion & Analysis

With respect to executive compensation, our Compensation Committee and management strive to: (1) align Quarterhill executive officers' interests with those of our shareholders by using both smaller short-term cash incentives and larger long-term PRSU-, PSU-, RSU- and Option-based incentives that are directly correlated with the market price of our Common Shares; and (2) ensure that overall executive compensation is internally equitable within Quarterhill and our subsidiaries, and also competitive externally so we can attract, retain and motivate qualified and committed professionals who will drive our businesses forward successfully.

We believe that an effective executive compensation program founded on these principles is a key element to building long-term shareholder value.

Target Compensation and Base Salary

Quarterhill sets target executive officer compensation based on market rates for similar positions and each executive officer's expected contribution and past performance. Target compensation is comprised of a guaranteed base salary amount and a performance-based incentive amount which, for 2022 is comprised of cash and/or PRSUs and, for certain individuals, Options. In a year in which we met or exceeded our objectives, an executive officer's individual contribution was satisfactory and there was substantial increase in the market price of our Common Shares, executive officers would receive their full target compensation. In a year these were not achieved, executive officers would receive less than their full target compensation.

Base salary is generally based on market competitiveness and individual qualifications, experience and performance, as originally established upon an executive officer joining Quarterhill. An executive officer's base salary is intended to provide minimum compensation to secure their services. Any increases to an executive officer's target compensation are entirely "at risk" as they are subject to Quarterhill's financial performance and the executive officer's individual performance.

Quarterhill's determination of the "market" rate and competitiveness of each executive officer role is not based on any single measure or any formal set of measures and benchmarking is not relied upon. Instead, Quarterhill management reviews a number of factors to determine each executive officer's "market" value including:

- publicly available salary guides;
- the need to extrapolate information where no reasonable match can be found between the requirements of a specific officer role and the data available to us;
- each executive officer's eligibility to receive short-term and long-term incentives;
- reasonable considerations affecting the professional markets where we compete for skills; and
- reasonable considerations specific to geographic markets where we compete for talent.

Based on such factors, subject to Compensation Committee approval where required, senior management establishes percentage increases to base salary predicated on how each executive officer's performance in the year measures against the "market value" of their respective role with Quarterhill and overall market salary movement. For the year ending December 31, 2022, Named Executive Officers received salary increases of between 0.00% and 3.63% and Mr. Kidd's salary was increased from US\$425,000 to US\$500,000 following his appointment as Quarterhill's President & Chief Executive Officer.

Short-term Incentive

Quarterhill's short-term incentives consist of an annual performance-based cash incentive (the "**Short-Term Incentive**") forming part of target compensation, paid based on achieving annual corporate revenue ("**Revenue**") and adjusted earnings before taxes, depreciation and amortization ("**AEBITDA**") targets focused on positioning Quarterhill for present and future success with a discretionary portion based on the Board's determination of Quarterhill's annual performance and each individual's contribution to that performance. Additionally, Quarterhill executives (i.e. executives not at ETC, IRD or WiLAN), have an additional target connected to Quarterhill and its subsidiaries closing corporate acquisitions ("**Acquisitions**").

With respect to Messrs. Hill, Rim and Watchmaker, for the year ended December 31, 2021, 30% of their respective Short-Term Incentive was tied to their Acquisitions target, 25% was tied to their Revenue target, 35% was tied to their AEBITDA target and 10% was subject to the Board's discretion. These Revenue and AEBITDA targets are calculated with reference to Quarterhill's consolidated revenues and earnings (i.e. for ETC and IRD together (between 40% and 43% (with ETC-related amounts pro-rated for the period in 2021 following our acquisition of ETC)) and WiLAN (between 57% and 60%) collectively). For the year ending December 31, 2022, with respect to Messrs. Kidd and Watchmaker, 30% of their respective Short-Term Incentive is tied to their Acquisitions target, 25% is tied to their Revenue target, 35% is tied to their AEBITDA target and 10% is subject to the Board's discretion. These Revenue and AEBITDA targets are calculated with reference to ETC's and IRD's respective revenues and AEBITDA (30% and 35% respectively) and to WiLAN's revenues (5%).

For the year ended December 31, 2021, 35% of Mr. Kidd's Short-Term Incentive was based on ETC's Revenue target, 40% was tied to ETC's AEBITDA target and 25% was subject to the Board's discretion. Mr. Kidd's 2021 targets were calculated with reference to ETC's revenues and earnings only.

For the year ended December 31, 2021, 35% of Mr. Malhotra's Short-Term Incentive is tied to his Revenue target, 40% is tied to his AEBITDA target and 25% is subject to the Board's discretion. Mr. Malhotra's targets are calculated with reference to IRD's revenues and earnings only. For the year ended December 31, 2021, 30% of Mr. Vladescu's Short-Term Incentive is tied to his Revenue (or "bookings") target, 50% is tied to his AEBITDA target and 20% is subject to the Board's discretion. Mr. Vladescu's targets are calculated with reference to WiLAN's revenues and earnings only.

The targets are set based on Quarterhill's and its subsidiaries' Revenue, AEBITDA and Acquisitions goals for the year, all of which are established to be significantly challenging yet realistically attainable for management given anticipated trends. Disclosure of actual dollar amounts for these targets would seriously prejudice Quarterhill's and its subsidiaries' respective interests and the Compensation Committee and the Board as a whole believe that the use of these targets is well correlated to Quarterhill's long-term, sustainable financial strength and growth.

Revenue and AEBITDA targets are subject to minimum thresholds below which, for ETC and IRD targets collectively, no Short-Term Incentive amounts are payable and, for WiLAN targets, from 0% to 30% of related Short-Term Incentive amounts are payable. ETC's and IRD's Revenue minimum threshold is 85% and AEBITDA minimum threshold is 60% of the targets. WiLAN's Revenue and AEBITDA minimum thresholds, are 60% of the targets. The Acquisitions target is based on a number of objective and subjective goals relating to success in Quarterhill completing corporate acquisitions. Each target also provides for leverage up to between 150% and 200% for significant over-target performance over and above the respective goals. Targets are measured against Quarterhill's annual results achieved in each year and any related cash incentives are paid thereafter.

Subject to the Board's approval of the Financial Statements on or about March 21, 2022, the Named Executive Officer's Short-Term Incentives for the year ended December 31, 2021 have preliminarily been determined as set out below with corresponding amounts expected to be paid in April 2022 (preliminary amounts expected to be paid are reflected under the heading "Incentive Plan Awards – Value Vested or Earned During the Year" on page 35 below):

Named Executive Officer	Total Short-Term Incentive Target	Actual Short-Term Incentive Paid	Percentage of Target Paid
Bret Kidd	\$323,289 ⁽¹⁾	\$198,499 ⁽²⁾	61.05%
Paul Hill	\$363,600	\$363,600	100.00%
John Rim	\$131,805	\$0	0.00%
Rish Malhotra	\$182,700	\$112,400	61.52%
Michael Vladescu	\$340,000	\$81,562	23.99%
Prashant Watchmaker	\$174,075	\$98,140	56.38%

(1) Converted from US dollars at a rate of US\$1 = \$1.2678, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2021.

(2) Converted from US dollars at a rate of US\$1 = \$1.2821, equal to the Bank of Canada US dollar daily average exchange rate on March 9, 2022. – the actual amount may change depending on the exchange rate in effect on the payment date.

Long-term Incentive

For fiscal 2021 and 2022, the long-term portion of Quarterhill's executive officer compensation is comprised of PRSUs and Options. Mr. Rim, however, has resigned from Quarterhill effective February 18, 2022 and, as such, is not entitled to receive any long-term incentive for 2021 or 2022.

PRSUs are an obligation on Quarterhill's part to issue to certain employees up to a pre-set maximum number of RSUs in the following year if stipulated performance targets are achieved. For clarity, PRSUs have no value whatsoever and only represent a commitment to grant RSUs if, and only if, the stipulated performance targets are achieved. If those targets are achieved, then RSUs issue on a one-to-one basis in respect of the related PRSUs until 100% of such target performance metric is achieved, provided that significant over-target performance can result in up to between 150% and 200% of RSUs being issued upon PRSUs in any year. Any PRSUs that do not result in the issuance of RSUs are immediately forfeited.

Similar to their Short-Term Incentives, with respect to Messrs. Hill, Rim and Watchmaker, for the year ended December 31, 2021, 30% of their respective PRSUs issuance into RSUs is tied to their Acquisitions target, 25% is tied to their Revenue target, 35% is tied to their AEBITDA target and 10% is subject to the Board's discretion. The Revenue and AEBITDA targets are calculated with reference to our consolidated revenues and earnings (i.e. for ETC and IRD together (between 40% and 43% (with ETC-related amounts pro-rated for the period in 2021 following our acquisition of ETC) and WiLAN (between 57% and 60%) collectively). For the year ending December 31, 2022, with respect to Messrs. Kidd and Watchmaker, 30% of their respective Short-Term Incentive is tied to their Acquisitions target, 25% is tied to their Revenue target, 35% is tied to their AEBITDA target and 10% is subject to the Board's discretion. These Revenue and AEBITDA targets are calculated with reference to ETC's and IRD's respective revenues and AEBITDA (30% and 35% respectively) and to WiLAN's revenues (5%).

For the year ended December 31, 2021, 35% of Mr. Malhotra's PRSUs issuance into RSUs is tied to his Revenue target, 40% is tied to his AEBITDA target and 25% is subject to the Board's discretion. Mr. Malhotra's targets are calculated with reference to IRD's revenues and earnings only. For the year ended December 31, 2021, Mr. Vladescu's PRSUs issuance into RSUs is tied to his AEBITDA target only. Mr. Vladescu's AEBITDA target is calculated with reference to WiLAN's revenues and earnings only.

As with the Short-Term Incentive targets, these targets are set based on Quarterhill's and its subsidiaries' Revenue, AEBITDA and Acquisitions goals for the year, all of which are established to be significantly challenging yet realistically attainable for management given anticipated trends. Disclosure of actual dollar amounts for these targets would seriously prejudice Quarterhill's and its subsidiaries' respective interests and the Compensation Committee and the Board as a whole believe that the use of these targets is well correlated to Quarterhill's long-term, sustainable financial strength and growth.

Revenue and AEBITDA targets are subject to minimum thresholds below which, for ETC and IRD targets, no RSUs will be issued and, for WiLAN targets, from 0% to 30% of related RSUs will be issued. ETC's and IRD's Revenue minimum threshold is 85% and AEBITDA minimum threshold is 60% of the targets. WiLAN's Revenue and AEBITDA minimum thresholds are 60% of the targets. The Acquisitions target is based on a number of objective and subjective goals relating to success in Quarterhill completing corporate acquisitions. Each target also provides for leverage up to between 150% and 200% for significant over-target performance over and above the respective goals. Targets are measured against Quarterhill's annual results achieved in each year and any RSUs are issued thereafter.

RSUs are awards under the Equity Plan that vest into fully-paid Common Shares equally twice a year over three years after grant (i.e. approximately 16.7% of each grant of RSUs vest into Common Shares twice per year). Upon vesting of any RSUs to Common Shares, either: (1) the holder must pay the applicable amount of income tax on that conversion in cash to Quarterhill, which Quarterhill will remit to the appropriate authorities; or (2) Quarterhill will reduce the number of Common Shares issuable on that conversion by an appropriate number to reflect the amount of income tax payable based on the market value of the Common Shares on that date and Quarterhill will remit the amount of that income tax to the appropriate authorities. **For clarity, Quarterhill does not issue any RSUs unless the performance criteria of the related PRSUs have been met or exceeded.**

The value of RSUs is directly correlated to the market price of our Common Shares as it changes over the three-year period over which the RSUs vest and, as such, they fully align our officers' interests with our shareholders' interests in increasing Quarterhill's market value generally and our Common Share market price specifically.

Subject to the Board's approval of the Financial Statements on or about March 21, 2022, the following sets out our preliminary expectations as to the numbers of RSUs to be issued to Named Executive Officers in 2022 based on Quarterhill's PRSU obligations and the attainment of related performance criteria.

Named Executive Officer	Target RSUs Issuable per PRSUs	Actual RSUs Issued per PRSUs	Percentage of RSUs Actually Issued
Bret Kidd	21,431	14,216	66.33%
Paul Hill	140,386	140,386	100.00%
John Rim	50,890	0	0.00%
Rish Malhotra	70,890	43,398	61.52%
Michael Vladescu	49,228	0	0.00%
Prashant Watchmaker	67,210	37,891	56.38%

Options permit holders to acquire Common Shares at the exercise price established on the Options' date of grant and align executive officers' interests with those of shareholders by providing them with the opportunity to become Quarterhill shareholders. Notwithstanding valuations of Options required by financial reporting requirements, however, Options have value to their holders **ONLY** if the market price of Common Shares **exceeds** the exercise price of the Options. If the market price of the Common Shares is below the exercise price of any given Options, the Options have **no value whatsoever**.

The table below sets out, for each Named Executive Officer: (1) the number of Options held at December 31, 2021 and the weighted average exercise price of those Options; and (2) the number of vested Options held at that date with an exercise price lower than \$2.70 (the TSX closing price of the Common Shares on that date), the weighted average exercise price of those Options and the aggregate realizable value of those Options at that date, calculated net of exercise price but without taking into consideration any related tax obligations.

Named Executive Officer	Total Options Held	Weighted Average Exercise Price	Vested In-the-Money Options	Weighted Average Exercise Price of Vested In-the Money Options	Aggregate Realizable Value
Bret Kidd	475,000	\$2.70	0	N/A	\$0
Paul Hill	1,400,000	\$1.99	466,667	\$1.99	\$331,334
John Rim	700,000	\$2.60	233,334	\$2.60	\$23,333
Rish Malhotra	105,000	\$2.07	50,000	\$2.09	\$16,800
Michael Vladescu	564,220	\$1.59	276,147	\$1.50	\$415,276
Prashant Watchmaker	244,660	\$1.64	129,775	\$1.58	\$145,558

Other than 525,000 Options to be granted to Mr. Kidd on March 11, 2022 in connection with his appointment as CEO on December 15, 2021, Named Executive Officers are not being granted Options as part of their respective 2022 total incentive compensation targets.

In 2019, certain Quarterhill executive officers were also granted long term incentives in the form of PSUs which are awards under the Equity Plan that convert into fully-paid Common Shares equally over five years (i.e. 20% per year) if, on an annual basis, the 30-day volume weighted moving average price of the Common Shares on the TSX on each December 31 (the “**30-Day VWMA Price**”) is 10% higher, each year, than the 30-Day VWMA Price on the December 31 immediately prior to the grant of such PSUs. Unconverted PSUs at the fifth anniversary of their date of grant may also convert into fully-paid Common Shares if the 30-Day VWMA Price that year is 50% higher than the 30-Day VWMA Price on the last day of the year immediately prior to their grant. Other unconverted PSUs at the fifth anniversary of their date of grant are forfeited. Common Shares issued on the conversion of PSUs must be held until the earlier of eight years from the date of grant of the original PSUs and the termination of the applicable officer's employment with Quarterhill or its subsidiaries.

Certain PSUs granted to two Named Executive Officers in 2019 converted to Common Shares on March 12, 2021. Additional PSUs will convert into Common Shares on March 11, 2022 as set out in the table below with the resulting Common Shares to be held until the earlier of the termination of such Named Executive Officer's employment or January 1, 2028. No PSUs were granted in 2021 or 2022.

Named Executive Officer	Original PSUs Granted	PSUs Converted to Common Shares on March 12, 2022	Outstanding PSUs following March 11, 2022
Michael Vladescu	35,000	7,000	14,000
Prashant Watchmaker	171,560	34,312	68,624

Executive Clawback Policy

Under Quarterhill's Executive Clawback Policy, which applies to all executives at the Vice-President level or higher, provided there are no factors that would make reimbursement unfair in the circumstances and it is in the best interests of Quarterhill, the Board may, in its sole discretion, to the fullest extent permitted by applicable laws, require reimbursement of the “after tax” amount of all or a portion of any short-term, medium-term and/or long-term incentive compensation received by an executive officer after December 31, 2013 where:

- the amount of such short-term, medium-term and/or long-term incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently and negatively the subject of or affected by a restatement of all or a portion of Quarterhill's financial statements; and
- the executive officer engaged in gross negligence, intentional misconduct or fraud that caused or contributed materially to the need for the restatement as admitted by the executive officer or, in the absence of such admission, as determined by the Board acting reasonably; and
- the amount of the short-term, medium-term and/or long-term incentive compensation that would have been awarded to or the profit realized by the executive officer resulting from such

short-term, medium-term and/or long-term incentive compensation if the financial results had been properly reported would have been lower than the amount actually awarded, received or realized.

Minimum Equity Ownership Requirement

The Board has established a minimum equity ownership requirement for all Quarterhill officers having a "vice-president" or higher title or performing an equivalent function, including each Named Executive Officer (each, a "**Covered Officer**") pursuant to which, within five years of becoming a Covered Officer, each Covered Officer must satisfy the following requirements applicable to that Covered Officer (each, a "**Minimum Equity Ownership Requirement**");

- (1) Quarterhill's CEO must own, directly or indirectly, Common Shares having an aggregate value equal to at least three times the CEO's then current base salary;
- (2) each Senior Vice-President or officer performing an equivalent function (including Quarterhill's Chief Financial Officer) must own, directly or indirectly, Common Shares, DSUs, vested in-the-money Options, RSUs and PSUs having an aggregate value equal to at least 100% of such officer's then current base salary, of which each such officer must own, directly or indirectly, Common Shares and DSUs equal to half of such amount; and
- (3) each Covered Officer other than Quarterhill's CEO and any Senior Vice-President (or officer performing an equivalent function to a Senior Vice-President) must own, directly or indirectly, Common Shares, DSUs, vested in-the-money Options, RSUs and PSUs having an aggregate value equal to at least 50% of such Covered Officer's then current base salary, of which each Covered Officer must own, directly or indirectly, Common Shares and DSUs equal to half of such amount.

The measurement of the value of each Covered Officer's Common Share, DSU, vested in-the-money Option, RSU and PSU holdings is made on December 31 of each year and is based on, for Common Shares, the higher of (a) the price actually paid or deemed to have been paid for Common Shares and (b) the closing price of the Common Shares on the TSX on that December 31 and, for DSUs, vested in-the-money Options, RSUs and PSUs, the closing price of the Common Shares on that December 31 less any applicable exercise price. Starting five years after an employee becomes a Covered Officer, until such time as they satisfy the applicable Minimum Equity Ownership Requirement, that employee will receive all cash incentives in the form of DSUs.

At December 31, 2021, the Named Executive Officers owned the following Common Shares, vested in-the-money Options, RSUs and PSUs (no DSUs were outstanding at that date):

Named Executive Officer	Common Shares Held on December 31, 2021	Vested In-the-Money Options Held on December 31, 2021	Unvested RSUs Held on December 31, 2021	Unvested PSUs Held on December 31, 2021	Aggregate Value of Common Shares, Vested In-the-Money Options, RSUs and PSUs (December 31, 2021 Market Price ⁽¹⁾ / Price Actually Paid ⁽²⁾)
Bret Kidd ⁽³⁾	0	0	0	0	\$0 / \$0
Paul Hill ⁽⁴⁾	297,264	466,667	50,093	0	\$1,133,946 / \$1,113,978
John Rim	1,056	233,334	4,220	0	\$37,579 / \$37,462
Rish Malhotra	5,096	50,000	20,380	0	\$99,385 / \$98,825
Michael Vladescu	134,512	276,147	47,026	21,000	\$877,174 / \$905,638
Prashant Watchmaker ⁽⁵⁾	83,178	129,775	35,241	102,936	\$831,418 / \$901,278

(1) Represents the value of Common Shares, vested in-the-money Options, RSUs and PSUs on December 31, 2021 based on the TSX closing price of the Common Shares of \$2.70 on December 31, 2021, less the exercise price of any vested in-the-money Options.

(2) Represents the value of Common Shares at the prices actually paid by each Named Executive Officer when those Common Shares were originally purchased. The value of vested in-the-money Options, RSUs and PSUs on December 31, 2021 is based

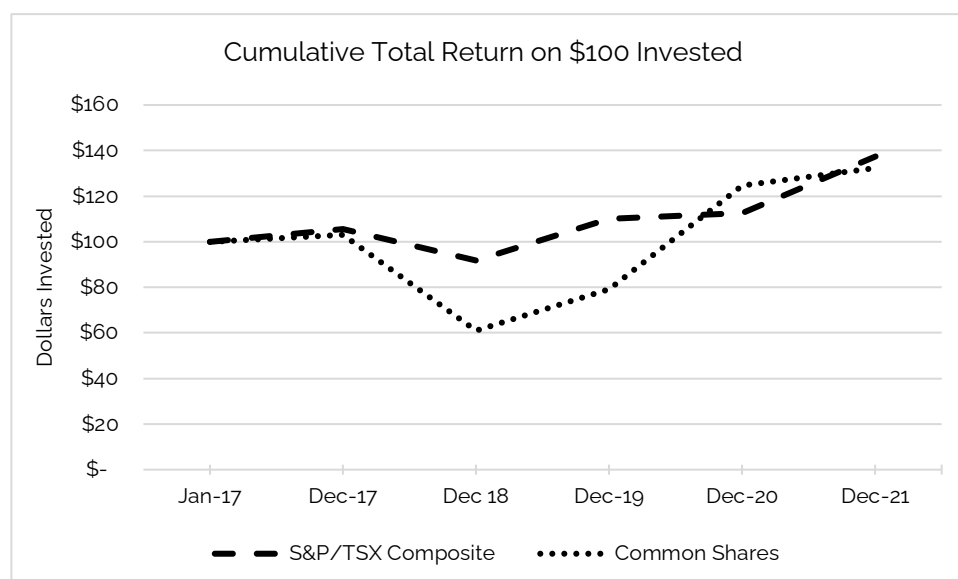
on the TSX closing price of the Common Shares of \$2.70 on December 31, 2021, less the exercise price of any vested-in-the-money Options.

- (3) Mr. Kidd was appointed CEO of Quarterhill effective December 15, 2021.
- (4) Mr. Hill ceased to be a Quarterhill employee on December 15, 2021. Totals for Mr. Hill reflect his holdings at December 15, 2021, at which date Mr. Hill also held 6.0% convertible unsecured subordinated Quarterhill debentures due October 30, 2026 ("**Convertible Debentures**") having an aggregate face value of \$100,000 and an aggregate market value of \$104,500 based on the effective closing price of \$1.045.00 of the Convertible Debentures on the TSX on December 31, 2021, for which Convertible Debentures Mr. Hill reported that he paid a total of \$104,000.
- (5) At December 31, 2021, Mr. Watchmaker also held Quarterhill Convertible Debentures having an aggregate face value of \$50,000 and an aggregate market value of \$52,250 based on the effective closing price of \$1.045.00 of the Convertible Debentures on the TSX on December 31, 2021, for which Convertible Debentures Mr. Watchmaker reported that he paid a total of \$52,000.

Each of Messrs. Vladescu and Watchmaker satisfy their respective Minimum Equity Ownership Requirements at December 31, 2021. Messrs. Kidd and Malhotra are not required to satisfy their respective Minimum Equity Ownership Requirements until 2026 and 2025, respectively, five years following their respective appointments to their respective current roles with Quarterhill. Mr. Hill ceased to be employed by Quarterhill on December 15, 2021 and Mr. Rim resigned from Quarterhill effective February 18, 2022.

Performance Graph

The graph below shows Quarterhill's cumulative total shareholder return on our Common Shares for the period from January 1, 2017 to December 31, 2021 and compares this cumulative total return with the cumulative total return of the S&P/TSX Composite Total Return Index for the same period. All dividends paid by Quarterhill and received by shareholders during the periods shown are assumed to have been reinvested in Common Shares.



This graph suggests that total shareholder return generally tracked the S&P/TSX Composite Index in 2017, with a reduction in total shareholder return through 2018 and a recovery from 2019 through 2021. An investment of \$100 in Common Shares on January 1, 2017 would have been worth approximately \$132 on December 31, 2021, representing a compound annual growth of approximately 5.7%. In comparison, the S&P/TSX Composite Index reported a compound annual growth of approximately 6.5% over the same period.

During the period covered by this graph, notwithstanding turnover in Quarterhill's executives in the period, generally, the compensation paid to Named Executive Officers has been stable, with certain increases for newly hired or promoted Named Executive Officers. In particular, Bret Kidd, Quarterhill's current CEO, began his employment with us during the year ended December 31, 2021.

Summary Compensation Table

The table below shows the compensation paid to the Named Executive Officers in respect of the financial years ended December 31, 2021, December 31, 2020 and December 31, 2019.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards ⁽¹⁾	Option-Based Awards	Non-Equity Incentive Plan Compensation		All Other Compensation ⁽²⁾	Total Compensation
					Annual Incentive Plans	Long-Term Incentive Plans		
Bret Kidd President & Chief Executive Officer ⁽³⁾	2021	\$138,461	--	\$591,803 ⁽⁴⁾	--	--	--	\$730,264
	2020	--	--	--	--	--	--	--
	2019	--	--	--	--	--	--	--
Paul Hill Former President & Chief Executive Officer ⁽⁵⁾	2021	\$440,480	\$194,615 ⁽⁶⁾	--	\$136,278	--	\$1,363,600 ⁽⁷⁾	\$2,134,973
	2020	\$295,615	--	\$936,489 ⁽⁸⁾	--	--	--	\$1,196,140
	2019	--	--	--	--	--	--	--
John Rim Former Chief Financial Officer ⁽⁹⁾	2021	\$292,877	\$16,400 ⁽¹⁰⁾	--	\$50,000	--	--	\$359,277
	2020	\$69,154	--	\$611,661 ⁽¹¹⁾	--	--	--	\$680,815
	2019	--	--	--	--	--	--	--
Rish Malhotra President & Chief Executive Officer, IRD ⁽¹²⁾	2021	\$304,344	\$79,179 ⁽¹³⁾	--	\$143,902	--	--	\$527,425
	2020	\$251,603	--	\$40,556 ⁽¹⁴⁾	\$5,000	--	--	\$297,159
	2019	\$173,755	--	--	\$21,750	--	--	\$195,505
Michael Vladescu President & Chief Executive Officer, WiLAN	2021	\$424,999	\$182,699 ⁽¹⁵⁾	--	\$325,352	--	--	\$933,050
	2020	\$424,154	--	\$185,991 ⁽¹⁶⁾	\$395,294	--	--	\$1,005,438
	2019	\$303,652	\$31,111 ⁽¹⁷⁾	\$171,306 ⁽¹⁸⁾	\$12,808	--	--	\$518,876
Prashant Watchmaker Senior-Vice President, General Counsel & Corporate Secretary	2021	\$274,999	\$136,915 ⁽¹⁹⁾	--	\$105,902	--	--	\$517,816
	2020	\$274,993	--	\$63,955 ⁽⁸⁾⁽¹⁶⁾	\$38,560	--	--	\$377,507
	2019	\$274,050	\$103,759 ⁽²⁰⁾	\$77,581 ⁽¹⁸⁾	--	--	--	\$455,390

(1) Value of share-based awards calculated using the applicable TSX closing price on the grant date.

(2) Generally represents contributions to Named Executive Officers' respective registered retirement savings plans and similar payments made by Quarterhill on behalf of such Named Executive Officers; the value of all other perquisites and benefits for each Named Executive Officer was less than the lesser of \$50,000 and 10% of such Named Executive Officer's salary.

(3) Mr. Kidd was appointed as our President & Chief Executive Officer effective December 15, 2021, prior to which he was ETC's President & Chief Executive Officer when Quarterhill acquired ETC on September 1, 2021. Amounts disclosed for Mr. Kidd's 2021 compensation represent 106 days of compensation as ETC's President & Chief Executive Officer and 16 days of compensation as Quarterhill's President & Chief Executive Officer. Except with respect to "share-based awards" and "option-based awards", Mr. Kidd's compensation is generally denominated in US dollars, the amounts of which have been converted to Canadian dollars for this summary compensation table at a rate of US\$1 = \$1.2678, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2021.

(4) Quarterhill granted Options to Mr. Kidd on September 1, 2021. The valuation of this option-based award is based on the Black-Scholes option valuation model at the time of grant which determined the fair market value of the option at \$1.01.

(5) Mr. Hill was appointed as Quarterhill's President & Chief Executive Officer effective June 1, 2020 and ceased to be a Quarterhill employee on December 15, 2021.

(6) Represents the value of 75,141 RSUs granted to Mr. Hill on March 15, 2021 which vested as to 12,524 RSUs on each of March 15, 2021 and August 9, 2021 (prior to a reduction in the number of such Common Shares by Quarterhill at Mr. Hill's request to address and pay for the withholding and payment of applicable income tax) and will vest as to 12,524 RSUs on March 11, 2022 and as to 12,523 RSUs in each of August 2022, March 2023 and August 2023. On the date of grant, these RSUs had a value of \$2.59 each, equal to the TSX closing price of the Common Shares on March 15, 2021. The actual value received by Mr. Hill on the vesting of any of these RSUs, if any, will differ from their grant date valuations.

(7) Represents amounts paid to Mr. Hill in 2021 as triggered by his ceasing to be a Quarterhill employee on December 15, 2021.

(8) Quarterhill granted Options to Messrs. Hill and Watchmaker on May 25, 2020. The valuation of these option-based awards is based on the Black-Scholes option valuation model at the time of grant which determined the fair market value of each option at \$0.67.

- (9) Mr. Rim was appointed as Quarterhill's Chief Financial Officer effective October 1, 2020 and resigned his office effective February 18, 2022.
- (10) Represents the value of 6,332 RSUs granted to Mr. Rim on March 15, 2021 which vested as to 1,055 RSUs on each of March 15, 2021 and August 9, 2021 (prior to a reduction in the number of such Common Shares by Quarterhill at Mr. Rim's request to address and pay for the withholding and payment of applicable income tax) and will vest as to 1,055 RSUs on March 11, 2022 and in each of August 2022, March 2023 and August 2023. On the date of grant, these RSUs had a value of \$2.59 each, equal to the TSX closing price of the Common Shares on March 15, 2021. The actual value received by Mr. Rim on the vesting of any of these RSUs, if any, will differ from their grant date valuations.
- (11) Quarterhill granted Options to Mr. Rim on November 9, 2020. The valuation of these option-based awards is based on the Black-Scholes option valuation model at the time of grant which determined the fair market value of each option at \$0.87.
- (12) Mr. Malhotra was appointed as IRD's President & Chief Executive Officer effective June 1, 2020. Prior to June 1, 2020, Mr. Malhotra had been IRD's Chief Operating Officer & Executive Vice-President since 2018.
- (13) Represents the value of 30,571 RSUs granted to Mr. Malhotra on March 15, 2021 which vested as to 5,095 RSUs on each of March 15, 2021 and August 9, 2021 (prior to a reduction in the number of such Common Shares by Quarterhill at Mr. Malhotra's request to address and pay for the withholding and payment of applicable income tax) and will vest as to 5,095 RSUs on March 11, 2022 and in each of August 2022, March 2023 and August 2023. On the date of grant, these RSUs had a value of \$2.59 each, equal to the TSX closing price of the Common Shares on March 15, 2021. The actual value received by Mr. Malhotra on the vesting of any of these RSUs, if any, will differ from their grant date valuations.
- (14) Quarterhill granted Options to Mr. Malhotra on June 1, 2020. The valuation of this option-based award is based on the Black-Scholes option valuation model at the time of grant which determined the fair market value of the option at \$0.68.
- (15) Represents the value of 70,540 RSUs granted to Mr. Vladescu on March 15, 2021 which vested as to 11,756 RSUs on each of March 15, 2021 and August 9, 2021 (prior to a reduction in the number of such Common Shares by Quarterhill at Mr. Vladescu's request to address and pay for the withholding and payment of applicable income tax) and will vest as to 11,756 RSUs on March 11, 2022 and in each of August 2022, March 2023 and August 2023. On the date of grant, these RSUs had a value of \$2.59 each, equal to the TSX closing price of the Common Shares on March 15, 2021. The actual value received by Mr. Vladescu on the vesting of any of these RSUs, if any, will differ from their grant date valuations.
- (16) Quarterhill granted Options to Messrs. Vladescu and Watchmaker on March 2, 2020. The valuation of these option-based awards is based on the Black-Scholes option valuation model at the time of grant which determined the fair market value of each option at \$0.62.
- (17) Represents the value of: (a) 35,000 PSUs granted to Mr. Vladescu on March 4, 2019, of which 7,000 PSUs vested and resulted in the issuance of 7,000 Common Shares on February 28, 2020, 7,000 PSUs vested and resulted in the issuance of 7,000 Common Shares on March 12, 2021 and an additional 7,000 PSUs will vest and result in the issuance of 7,000 Common Shares on March 11, 2022 (in each case, prior to a reduction in the number of such Common Shares by Quarterhill at Mr. Vladescu's request to address and pay for the withholding and payment of applicable income tax) and up to 14,000 additional PSUs may vest and result in the issuance of up to an equal number of Common Shares between 2023 and 2024, the valuation of which 35,000 PSUs was determined under a Monte Carlo simulation valuation model at the time of grant which determined the fair market value of each PSU at \$0.6048; and (b) 7,365 cash-settled restricted stock units ("**Cash RSUs**") granted to Mr. Vladescu on March 4, 2019 which vested as to 1,228 Cash RSUs on each of March 4, 2019 and July 1, 2019 and 1,227 Cash RSUs on January 1, 2020, July 1, 2020, January 1, 2021 and July 1, 2022, the valuation of which Cash RSUs was determined to be \$1.35 each, equal to the TSX closing price of the Common Shares on March 4, 2019. The actual value received by Mr. Vladescu on the vesting of any such PSUs and/or Cash RSUs, if any, will differ from their grant date valuations.
- (18) Quarterhill granted Options to Messrs. Vladescu and Watchmaker on March 4, 2019. The valuation of these option-based awards is based on the Black Scholes option valuation model at the time of grant which determined the fair market value of each option at \$0.65.
- (19) Represents the value of 52,863 RSUs granted to Mr. Watchmaker on March 15, 2021 which vested as to 8,811 RSUs on each of March 15, 2021 and August 9, 2021 (prior to a reduction in the number of such Common Shares by Quarterhill at Mr. Watchmaker's request to address and pay for the withholding and payment of applicable income tax) and will vest as to 8,811 RSUs on March 11, 2022 and as to 8,810 RSUs in each of August 2022, March 2023 and August 2023. On the date of grant, these RSUs had a value of \$2.59 each, equal to the TSX closing price of the Common Shares on March 15, 2021. The actual value received by Mr. Watchmaker on the vesting of any of these RSUs, if any, will differ from their grant date valuations.
- (20) Represents the value of 171,560 PSUs granted to Mr. Watchmaker on March 4, 2019, of which 34,312 PSUs vested and resulted in the issuance of 34,312 Common Shares on February 28, 2020, 34,312 PSUs vested and resulted in the issuance of 34,312 Common Shares on March 12, 2021 and 34,312 PSUs will vest and result in the issuance of 34,312 Common Shares on March 11, 2022 (in each case, prior to a reduction in the number of such Common Shares by Quarterhill at Mr. Watchmaker's request to address and pay for the withholding and payment of applicable income tax) and up to 68,624 additional PSUs may vest and result in the issuance of up to an equal number of Common Shares between 2023 and 2024. The valuation of these 171,560 PSUs was determined under a Monte Carlo simulation valuation model at the time of grant which determined the fair market value of each PSU at \$0.6048. The actual value received by Mr. Watchmaker on the vesting of any such PSUs, if any, will differ from their grant date valuations.

Incentive Plan Awards

General information on Quarterhill's incentive plans is provided under the heading "Security Based Compensation Arrangements" below.

Outstanding Share-Based Awards and Option Based Awards

The following table sets out all of the Options, PSUs and RSUs that had been granted and were outstanding to any of the Named Executive Officers as at December 31, 2021.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that Have Not Vested (#) ⁽²⁾	Market or Pay-out Value of Share-Based Awards that Have Not Vested (\$) ⁽³⁾
Bret Kidd	475,000	\$2.70	September 1, 2027	\$0	--	--
Paul Hill	1,400,000	\$1.99	May 25, 2026	\$994,000	50,093	\$135,251
John Rim	700,000	\$2.60	November 9, 2026	\$70,000	4,220	\$11,394
Rish Malhotra	60,000	\$2.01	June 1, 2026	\$41,400	20,380	\$55,026
	45,000	\$2.14	May 18, 2024	\$25,200	--	--
Michael	300,000	\$1.81	March 2, 2026	\$267,000	68,024	\$183,665
Vladescu	264,220	\$1.33	March 4, 2025	\$361,981	--	--
Prashant Watchmaker	40,000	\$1.99	May 25, 2026	\$28,400	138,177	\$373,078
	60,000	\$1.81	March 2, 2026	\$53,400		
	119,660	\$1.33	March 4, 2025	\$163,934	--	--
	25,000	\$2.16	May 12, 2023	\$13,500	--	--

(1) Represents the difference between the market value of the Common Shares on December 31, 2021, based on the TSX closing price of the Common Shares of \$2.70 on December 31, 2021 and the exercise price of the relevant Options.

(2) Represents unvested PSUs and RSUs held at December 31, 2021. In addition, on December 31, 2021, Mr. James Skippen held 34,235 unvested Cash RSUs granted to him as a WiLAN employee prior to 2019.

(3) Represents the market value of Common Shares that may be issued upon the vesting of PSUs and RSUs outstanding on December 31, 2021 all based on the TSX closing price of the Common Shares of \$2.70 on December 31, 2021. Mr. Skippen's Cash RSUs had a value of \$92,435 on December 31, 2021 based on the \$2.70 closing price of the Common Shares on that date. Actual values of Common Share issued on the vesting of PSUs and RSUs and the vesting of Cash RSUs will differ from the values indicated.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each Named Executive Officer, the value vested for all outstanding Option-based and share-based awards and the value earned for all non-equity incentive plan compensation during our financial year ended December 31, 2021.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) ⁽³⁾
Bret Kidd	--	--	\$198,499 ⁽⁴⁾
Paul Hill	\$168,000 ⁽⁵⁾	\$59,489 ⁽⁶⁾	\$363,600
John Rim	\$2,333 ⁽⁷⁾	\$5,011 ⁽⁸⁾	\$0
Rish Malhotra	\$12,550 ⁽⁹⁾	\$24,201 ⁽¹⁰⁾	\$108,861
Michael Vladescu	\$234,706 ⁽¹¹⁾	\$85,128 ⁽¹²⁾	\$81,562
Prashant Watchmaker	\$84,036 ⁽¹³⁾	\$135,205 ⁽¹⁴⁾	\$101,383

- (1) The value of option-based awards was calculated using the applicable TSX closing price on the vesting date. The amounts reflect the value of the vested Options assuming they were exercised on the vesting date and not realized values.
- (2) The value of share-based awards was calculated using the applicable TSX closing price on the vesting date. In addition, Mr. James Skippen was paid \$243,878 for the vesting of (a) 60,045 Cash RSUs on January 1, 2021 on which date the closing price of the Common Shares on the TSX was \$2.56 and (b) 25358 Cash RSUs on July 1, 2021 on which date the closing price of the Common Shares on the TSX was \$2.55. All such Cash RSUs were granted to Mr. Skippen as a WiLAN employee prior to 2019.
- (3) Preliminary amounts calculated as set out under the heading "Statement of Executive Compensation – Compensation Discussion & Analysis – Short-Term Incentive" earlier in this Circular, all subject to the Board's approval of the Financial Statements on or about March 21, 2022. Related amounts are expected to be paid in April 2022.
- (4) Converted from US dollars at a rate of US\$1 = \$1.2821, equal to the Bank of Canada US dollar daily average exchange rate on March 9, 2022 - the actual amount may change depending on the exchange rate in effect on the payment date.
- (5) Represents the vesting of 466,667 Options having an exercise price of \$1.99 on May 25, 2021 on which date the closing price of the Common Shares on the TSX was \$2.35.
- (6) Represents: (a) the vesting of 12,524 RSUs into an equal number of Common Shares on March 15, 2021, on which date the closing price of the Common Shares on the TSX was \$2.50; and (b) the value of 12,524 RSUs that were cancelled by Quarterhill on August 9, 2021 at Mr. Hill's request to address and pay for the withholding and payment of applicable income tax in an amount equal to the value of 12,524 Common Shares at a price of \$2.25 per share, being the closing price of the Common Shares on the TSX on that date.
- (7) Represents the vesting of 233,334 Options having an exercise price of \$2.60 on November 9, 2021 on which date the closing price of the Common Shares on the TSX was \$2.61.
- (8) Represents: (a) the vesting of 1,055 RSUs into an equal number of Common Shares on March 15, 2021, on which date the closing price of the Common Shares on the TSX was \$2.50; and (b) the value of 1,055 RSUs that were cancelled by Quarterhill on August 9, 2021 at Mr. Rim's request to address and pay for the withholding and payment of applicable income tax in an amount equal to the value of 1,055 Common Shares at a price of \$2.25 per share, being the closing price of the Common Shares on the TSX on that date.
- (9) Represents the vesting of: (a) 15,000 Options having an exercise price of \$2.14 on May 18, 2021 on which date the closing price of the Common Shares on the TSX was \$2.39; and (b) 20,000 Options having an exercise price of \$2.01 on June 1, 2021 on which date the closing price of the Common Shares on the TSX was \$2.45.
- (10) Represents: (a) the vesting of 5,095 RSUs into an equal number of Common Shares on March 15, 2021, on which date the closing price of the Common Shares on the TSX was \$2.50; and (b) the value of 5,095 RSUs that were cancelled by Quarterhill on August 9, 2021 at Mr. Malhotra's request to address and pay for the withholding and payment of applicable income tax in an amount equal to the value of 5,095 Common Shares at a price of \$2.25 per share, being the closing price of the Common Shares on the TSX on that date.
- (11) Represents the vesting of: (a) 88,073 Options having an exercise price of \$1.33 on March 4, 2021 on which date the closing price of the Common Shares on the TSX was \$2.78; and (b) 100,000 Options having an exercise price of \$1.81 on March 2, 2021 on which date the closing price of the Common Shares on the TSX was \$2.88.
- (12) Represents: (a) a payment in respect of 3,382 Cash RSUs that vested on January 1, 2021 on which date the closing price of the Common Shares on the TSX was \$2.56; (b) the issuance of 7,000 Common Shares upon the vesting of 7,000 PSUs on March 15, 2021 on which date the closing price of the Common Shares on the TSX was \$2.50; (c) the issuance of 11,756 Common Shares upon the vesting of 11,756 RSUs on March 15, 2021 on which date the closing price of the Common Shares on the TSX was \$2.50; (d) a payment in respect of 1,227 Cash RSUs that vested on July 1, 2021 on which date the closing price of the Common Shares on the TSX was \$2.09; and (e) the value of 11,756 RSUs that were cancelled by Quarterhill on August 9, 2021 at Mr. Vladescu's request to address and pay for the withholding and payment of applicable income tax in an amount equal to the value of 11,756 Common Shares at a price of \$2.25 per share, being the closing price of the Common Shares on the TSX on that date.
- (13) Represents the vesting of: (a) 39,887 Options having an exercise price of \$1.33 on March 4, 2021 on which date the closing price of the Common Shares on the TSX was \$2.78; (b) 20,000 Options having an exercise price of \$1.81 on March 2, 2021 on which date the closing price of the Common Shares on the TSX was \$2.88; and (c) 13,334 Options having an exercise price of \$1.99 on May 25, 2021 on which date the closing price of the Common Shares on the TSX was \$2.35.
- (14) Represents: (a) a payment in respect of 2,958 Cash RSUs that vested on January 1, 2021 on which date the closing price of the Common Shares on the TSX was \$2.56; (b) the issuance of 34,312 Common Shares upon the vesting of 34,312 PSUs on March 15, 2021 on which date the closing price of the Common Shares on the TSX was \$2.50; (c) the issuance of 8,811 Common Shares upon the vesting of 8,811 RSUs on March 15, 2021 on which date the closing price of the Common Shares on the TSX was \$2.50; and (d) the value of 8,811 RSUs that were cancelled by Quarterhill on August 9, 2021 at Mr. Watchmaker's request to address and pay for the withholding and payment of applicable income tax in an amount equal to the value of 8,811 Common Shares at a price of \$2.25 per share, being the closing price of the Common Shares on the TSX on that date.

Termination and Change of Control Benefits

Pursuant to Mr. Kidd's amended and restated executive employment agreement with ETC (the "**Kidd Agreement**"): (a) if his employment were terminated by ETC for "Cause" (as defined in the Kidd Agreement) or by Mr. Kidd without "Good Reason" (as defined in the Kidd Agreement), then Mr. Kidd would be entitled to be paid his base salary to his termination date, the amount of any accrued but unused vacation at his termination date and payment of any unreimbursed expenses properly incurred prior to his termination (collectively, the "**Accrued Obligations**") as a lump sum; (b) if his employment were terminated by ETC without "Cause" or by Mr. Kidd for "Good Reason", then Mr. Kidd would be entitled to payment of the Accrued Obligations as a lump sum plus, subject to his provision of a "Release" (as defined in the Kidd Agreement) to ETC, (i) if earned and otherwise payable pursuant to the Kidd Agreement, Mr. Kidd would be paid a portion of that year's cash incentive pro-rated for the portion of the year prior to termination, (ii) Mr. Kidd would be paid 12 months of his then current base salary to be paid bi-weekly over 12 months following termination and (iii) all unvested Options held by Mr. Kidd at such termination would immediately vest and be fully exercisable for 90 days following such termination; or (c) if his employment were terminated by his death or due to his "Disability" (as defined in the Kidd Agreement), then Mr. Kidd or, where applicable, his administrators, personal representatives, heirs and legatees, would be entitled to payment of the Accrued Obligations plus (subject to his provision of a release to ETC in case of his "Disability") six months of his then current base salary to be paid bi-weekly over six months following termination. All awards under the Equity Plan held by Mr. Kidd at any termination treated as required under the terms of the Equity Plan.

Pursuant to Mr. Hill's employment agreement with Quarterhill, if his employment were terminated without cause (including by constructive dismissal), then Mr. Hill would be entitled to payment of \$1,000,000 as a lump sum plus a pro rata portion of Mr. Hill's target at-risk annual incentive cash bonus to the date of termination, with all awards under the Equity Plan held by Mr. Hill at such termination treated as required under the terms of the Equity Plan. Mr. Hill's employment with Quarterhill terminated effective December 15, 2021.

Pursuant to Mr. Rim's employment agreement with Quarterhill, if his employment were terminated without cause (including by constructive dismissal), then Mr. Rim would be entitled to payment of \$290,000 as a lump sum plus a pro rata portion of Mr. Rim's target at-risk annual incentive cash bonus to the date of termination, with all awards under the Equity Plan held by Mr. Rim at such termination treated as required under the terms of the Equity Plan. Mr. Rim departed Quarterhill effective February 18, 2022.

Pursuant to Mr. Malhotra's employment agreement with IRD, as amended, if his employment were terminated without cause (including by constructive dismissal), then Mr. Malhotra would be entitled to payment of any amount equal to 18 months of his then current salary as a lump sum plus a pro rata portion of Mr. Malhotra's target at-risk annual incentive cash bonus to the date of termination, with all awards under the Equity Plan held by Mr. Malhotra at such termination treated as required under the terms of the Equity Plan provided that any unvested Options then held by Mr. Malhotra would immediately vest and be exercisable for 90 days following his termination.

Pursuant to Mr. Vladescu's employment agreement with WiLAN, as amended, if his employment were terminated without cause (including by constructive dismissal), then Mr. Vladescu would be entitled to: (1) payment of 24 months' base salary and payment of 2 years' target annual incentive not to exceed \$1,400,000; (2) payment of the cash equivalent of the reasonable replacement value of all benefits to which he would have been entitled during the years following such termination; (3) immediate vesting and payout of all unvested restricted stock units that would have vested in the next 2 years and that would have otherwise terminated unvested upon his termination of employment; and (4) immediate full vesting of all Options.

Pursuant to Mr. Watchmaker's employment agreement with Quarterhill, as amended, if his employment were terminated without cause (including by constructive dismissal), then Mr. Watchmaker would be entitled to: (1) payment of 24 months' base salary, payment of 2 years' target annual incentive

and payment of the cash value of all benefits to which he would have been entitled over the following 24 months; (2) immediate vesting and payout of all unvested restricted stock units and DSUs that would have vested in the next 2 years and that would have otherwise terminated unvested upon his termination of employment; and (3) immediate full vesting of all Options.

In addition to certain other covenants made by each Named Executive Officer, upon any termination of employment, each Named Executive Officer has also agreed:

- (a) not to reveal any of Quarterhill's or its affiliates' confidential information following such termination;
- (b) for Mr. Kidd, not, directly or indirectly, to compete with ETC's business for 2 years following such termination (which period would be reduced to 12 months if the Kidd Agreement were terminated by ETC without "Cause" or by Mr. Kidd for "Good Reason");
- (c) for Mr. Malhotra, not to compete with IRD's business for 1 year following such termination;
- (d) for Mr. Kidd, with respect to businesses in the scope of Quarterhill's and its affiliates' businesses, services or products, not, directly or indirectly, to solicit business from, interfere with, or induce to curtail or cancel any business or contracts with Quarterhill, or attempt to solicit business with, interfere with, or induce to curtail or cancel any business or contracts with Quarterhill or do business with, in each such case, any actual or prospective customer or client of Quarterhill with whom Quarterhill did business or whom Quarterhill solicited within the preceding two years for two years following such termination (which period would be reduced to 12 months if the Kidd Agreement were terminated by ETC without "Cause" or by Mr. Kidd for "Good Reason");
- (e) not, directly or indirectly, to induce any employee of Quarterhill and its affiliates to leave the employ of Quarterhill or any such affiliate for 2 years following such termination (which period would be reduced to 12 months for Mr. Kidd if the Kidd Agreement were terminated by ETC without "Cause" or by Mr. Kidd for "Good Reason");
- (f) to be available following such termination to assist with the orderly transition of their roles, duties and responsibilities with us to their successor(s); and
- (g) with respect to all NEOs other than Mr. Kidd, to cooperate with us in any litigation following termination.

Further, each of Messrs. Hill, Rim and Malhotra have agreed not to work in any way, directly or indirectly, against Quarterhill or any of our subsidiaries in any negotiations or litigation for an indefinite time following their respective termination of employment and Mr. Kidd has agreed not in any way to disparage, libel or defame Quarterhill, its businesses, business practices, products or services, shareholders, stockholders, managers, officers, directors, employees, investors or affiliates.

Payments on Termination

The following provides details regarding the estimated incremental payments from Quarterhill to each Named Executive Officer assuming termination on December 31, 2021.

Name	Salary Based Entitlements	Other Cash Based Entitlements	Other Incentive Plan Based Entitlements
Bret Kidd ⁽¹⁾	\$539,815	\$323,289	\$0
Paul Hill	\$0	\$1,363,600	\$33,815
John Rim	\$0	\$421,805	\$2,848
Rish Malhotra	\$456,750	\$182,700	\$13,756

Name	Salary Based Entitlements	Other Cash Based Entitlements	Other Incentive Plan Based Entitlements
Michael Vladescu	\$1,400,000	\$21,774	\$126,970
Prashant Watchmaker	\$550,000	\$390,000	\$95,151

(1) Amounts for Mr. Kidd are converted from US dollars to Canadian dollars at a rate of US\$1 = \$1.2678, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2021.

Director Compensation

The following table provides information regarding compensation paid to non-executive members of the Board during our financial year ended December 31, 2021.

Name	Fees Earned (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Roxanne Anderson	\$78,000	--	\$29,423	--	--	\$107,423
Michel Fattouche	\$73,000	--	\$29,423	--	--	\$102,423
John Gillberry	\$139,000	--	\$29,423	--	--	\$168,423
Ron Laurie ⁽³⁾	\$19,429	--	--	--	--	\$19,429
Paul McCarten ⁽⁴⁾	\$87,000	--	\$29,423	--	--	\$116,423
Richard Shorkey ⁽⁵⁾	\$88,000	--	\$29,423	--	--	\$115,423
James Skippen	\$98,000	--	\$29,423	--	--	\$125,423
Anna Tosto ⁽⁶⁾	\$52,143	--	\$29,423	--	--	\$81,566

(1) The value of share-based awards was calculated using the applicable TSX closing price on the grant date.

(2) Quarterhill granted Options to purchase up to 41,841 Common Shares to each non-executive Board member on May 10, 2021. The valuation of these option-based awards is based on the Black-Scholes option valuation model at the time of grant which determined the fair market value of each option at approximately \$0.70.

(3) Mr. Laurie did not stand for re-election to the Board at Quarterhill's April 14, 2021 annual general and special meeting of shareholders and, consequently, he ceased to be a member of the Board on that date.

(4) Mr. McCarten is not standing for re-election to the Board at the Meeting and, consequently, he will cease to be a member of the Board on April 21, 2022.

(5) Mr. Shorkey is not standing for re-election to the Board at the Meeting and, consequently, he will cease to be a member of the Board on April 21, 2022.

(6) Ms. Tosto was elected to the Board on April 14, 2021.

Currently, during our financial year ending December 31, 2021, each non-executive member of the Board is paid an annual base fee of \$63,000, the Chair of the Board is paid an additional annual fee of \$56,000 and the Vice-Chair of the Board is paid an additional annual fee of \$35,000. The chairs of each of the Audit Committee, Compensation Committee, ESG Committee and Nominating Committee are each paid additional annual fees of \$25,000, \$19,000, \$10,000 and \$10,000 respectively. Each member of each Board committee, other than their respective chairs, are each paid additional annual fees of \$5,000.

Members of the Board who attend meetings in person, away from their place of residence, are entitled, for each such meeting, to additional fees of (a) \$2,100 for members residing within a short (e.g. less than 2 hours') regular flight of the meeting location, (b) \$2,800 for members residing within a medium (e.g. between 2 and 5 hours') regular flight of the meeting location and (c) \$3,800 for members residing within a distant (e.g. more than 5 hours') regular flight of the meeting location. Directors are also reimbursed for their out-of-pocket expenses incurred in carrying out their duties as directors.

Minimum Common Share Ownership Requirement

Effective February 28, 2018, the Board established a demanding and rigorous minimum Common Share ownership requirement for non-executive directors which requires each such director

to hold Common Shares having a value equal to three times the director's annual base fee (i.e. three times \$63,000 per director in 2021 = \$189,000) based on the higher of (a) the price actually paid or deemed to have been paid for Common Shares and (b) the closing price of the Common Shares on the TSX on the final trading day of the immediately preceding year. This minimum threshold must be satisfied within five years (i.e. by March 1, 2023 for Board members at February 28, 2018). The non-executive members of the Board as at December 31, 2021 held the following Common Shares with the following values:

Name of Board Member	Common Shares Held on December 31, 2021	Aggregate Value of Common Shares (December 31, 2021 Market Price ⁽¹⁾ / Price Actually Paid ⁽²⁾)
Roxanne Anderson	98,981	\$267,249 / \$148,264
Michel Fattouche	1,922,494	\$5,190,734 / \$4,639,839
John K. Gillberry	115,364	\$311,483 / \$435,503
Ron Laurie ⁽³⁾	38,163	\$103,040 / \$55,630
W. Paul McCarten ⁽⁴⁾	64,783 ⁽⁵⁾	\$174,914 / \$194,739
Richard J. Shorkey ⁽⁶⁾	56,716 ⁽⁷⁾	\$153,133 / \$118,340
James D. Skippen ⁽⁸⁾	320,800	\$866,160 / \$1,346,642
Anna Tosto	0	\$0 / \$0

- (1) Represents the value of Common Shares held on December 31, 2021 based on the TSX closing price of the Common Shares of \$2.70 on December 31, 2021.
- (2) Represents the value of Common Shares at the prices actually paid by the specific member of the Board when such Common Shares were originally purchased based on information provided to us by that Board member.
- (3) Mr. Laurie did not stand for re-election to the Board at Quarterhill's April 14, 2021 annual general and special meeting of shareholders and ceased to be a member of the Board on that date. Quarterhill has no information as to Mr. Laurie's shareholdings following April 14, 2021.
- (4) Mr. McCarten is not standing for re-election to the Board at the Meeting and, consequently, he will cease to be a member of the Board on April 21, 2022.
- (5) Does not include 3,600 Common Shares owned beneficially and of record by Mr. McCarten's spouse, over which Common Shares Mr. McCarten has irrevocably disclaimed any and all control and direction.
- (6) Mr. Shorkey is not standing for re-election to the Board at the Meeting and, consequently, he will cease to be a member of the Board on April 21, 2022.
- (7) Includes 5,000 Common Shares held by Mr. Shorkey's spouse.
- (8) Mr. Skippen's Common Shares are held by a corporation controlled by a trust in which Mr. Skippen and his spouse are 2 of the trustees.

Directors' Outstanding Share-Based Awards and Option Based Awards

The following table sets out the Options that had been granted and were outstanding to any of the members of the Board as at December 31, 2021.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that Have Not Vested (#) ⁽²⁾	Market or Payout Value of Share-Based Awards that Have Not Vested (\$) ⁽³⁾
Roxanne Anderson	41,841	\$2.39	May 10, 2027	\$12,971	--	--
	50,251	\$1.99	May 25, 2026	\$35,678	--	--
	56,818	\$1.76	August 12, 2025	\$53,409	--	--
	59,523	\$2.02	May 31, 2024	\$40,476	--	--
	46,296	\$2.16	May 12, 2023	\$25,000	--	--
	35,211	\$2.84	July 29, 2022	\$0	--	--
Michel Fattouche	41,841	\$2.39	May 10, 2027	\$12,971	--	--
	50,251	\$1.99	May 25, 2026	\$35,678	--	--
	46,296	\$2.16	May 12, 2023	\$25,000	--	--
	35,211	\$2.84	July 29, 2022	\$0	--	--
John Gillberry	41,841	\$2.39	May 10, 2027	\$12,971	--	--
	50,251	\$1.99	May 25, 2026	\$35,678	--	--

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾	Number of Shares or Units of Shares that Have Not Vested (#) ⁽²⁾	Market or Payout Value of Share-Based Awards that Have Not Vested (\$) ⁽³⁾
	56,818	\$1.76	August 12, 2025	\$53,409	--	--
	59,523	\$2.02	May 31, 2024	\$40,476	--	--
	46,296	\$2.16	May 12, 2023	\$25,000	--	--
	35,211	\$2.84	July 29, 2022	\$0	--	--
Ron Laurie ⁽⁴⁾	50,251	\$1.99	May 25, 2026	\$35,678	--	--
	56,818	\$1.76	August 12, 2025	\$53,409	--	--
	59,523	\$2.02	May 31, 2024	\$40,476	--	--
	46,296	\$2.16	May 12, 2023	\$25,000	--	--
	35,211	\$2.84	July 29, 2022	\$0	--	--
W. Paul McCarten ⁽⁵⁾	41,841	\$2.39	May 10, 2027	\$12,971	--	--
	50,251	\$1.99	May 25, 2026	\$35,678	--	--
	56,818	\$1.76	August 12, 2025	\$53,409	--	--
	59,523	\$2.02	May 31, 2024	\$40,476	--	--
	46,296	\$2.16	May 12, 2023	\$25,000	--	--
	35,211	\$2.84	July 29, 2022	\$0	--	--
Richard Shorkey ⁽⁶⁾	41,841	\$2.39	May 10, 2027	\$12,971	--	--
	50,251	\$1.99	May 25, 2026	\$35,678	--	--
	56,818	\$1.76	August 12, 2025	\$53,409	--	--
	59,523	\$2.02	May 31, 2024	\$40,476	--	--
	46,296	\$2.16	May 12, 2023	\$25,000	--	--
	35,211	\$2.84	July 29, 2022	\$0	--	--
James Skippen	41,841	\$2.39	May 10, 2027	\$12,971	--	--
	50,251	\$1.99	May 25, 2026	\$35,678	--	--
	56,818	\$1.76	August 12, 2025	\$53,409	--	--
	39,473	\$2.28	September 12, 2024	\$16,549	--	--
Anna Tosto	41,841	\$2.39	May 10, 2027	\$12,971	--	--

(1) Represents the difference between the TSX closing price of the Common Shares of \$2.70 on December 31, 2021 and the exercise price of the relevant Options.

(2) Represents unvested Cash RSUs held at December 31, 2021.

(3) Represents the pay-out value of unvested Cash RSUs at December 31, 2021 based on the TSX closing price of the Common Shares of \$2.70 on December 31, 2021.

(4) Mr. Laurie did not stand for re-election to the Board at Quarterhill's April 14, 2021 annual general and special meeting of shareholders and ceased to be a member of the Board on that date.

(5) Mr. McCarten is not standing for re-election to the Board at the Meeting and, consequently, he will cease to be a member of the Board on April 21, 2022.

(6) Mr. Shorkey is not standing for re-election to the Board at the Meeting and, consequently, he will cease to be a member of the Board on April 21, 2022.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each member of the Board, the value vested for all outstanding Option-based and share-based awards and the value earned for all non-equity incentive plan compensation during our financial year ended December 31, 2021.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Roxanne Anderson	\$23,490 ⁽³⁾	--	--
Michel Fattouche	\$6,030 ⁽⁴⁾	--	--
John Gillberry	\$23,490 ⁽³⁾	--	--

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Ron Laurie ⁽⁵⁾	\$23,490 ⁽³⁾	--	--
W. Paul McCarten ⁽⁶⁾	\$23,490 ⁽³⁾	--	--
Richard Shorkey ⁽⁷⁾	\$23,490 ⁽³⁾	--	--
James Skippen	\$18,442 ⁽⁸⁾	--	--
Anna Tosto	\$0	--	--

- (1) Value of option-based awards was calculated using the applicable TSX closing price on the vesting date. The amounts reflect the value of the vested options assuming they were exercised on the vesting date and not realized values.
- (2) Value of share-based awards was calculated using the applicable TSX closing price on the vesting date in Canadian dollars.
- (3) Represents the vesting of: (a) 16,751 Options having an exercise price of \$1.99 on May 25, 2021 on which date the closing price of the Common Shares on the TSX was \$2.35; (b) 18,939 Options having an exercise price of \$1.76 on August 12, 2021 on which date the closing price of the Common Shares on the TSX was \$2.20; and (c) 19,841 Options having an exercise price of \$2.02 on May 31, 2021 on which date the closing price of the Common Shares on the TSX was \$2.48.
- (4) Represents the vesting of 16,751 Options having an exercise price of \$1.99 on May 25, 2021 on which date the closing price of the Common Shares on the TSX was \$2.35.
- (5) Mr. Laurie did not stand for re-election to the Board at Quarterhill's April 14, 2021 annual general and special meeting of shareholders and ceased to be a member of the Board on that date.
- (6) Mr. McCarten is not standing for re-election to the Board at the Meeting and, consequently, he will cease to be a member of the Board on April 21, 2022.
- (7) Mr. Shorkey is not standing for re-election to the Board at the Meeting and, consequently, he will cease to be a member of the Board on April 21, 2022.
- (8) Represents the vesting of: (a) 16,751 Options having an exercise price of \$1.99 on May 25, 2021 on which date the closing price of the Common Shares on the TSX was \$2.35; (b) 18,939 Options having an exercise price of \$1.76 on August 12, 2021 on which date the closing price of the Common Shares on the TSX was \$2.20; and (b) 13,157 Options having an exercise price of \$2.28 on September 10, 2021 on which date the closing price of the Common Shares on the TSX was \$2.59.

Security-Based Compensation Arrangements

The Equity Plan and all Common Shares issuable pursuant to Awards granted thereunder were approved by the Board on March 12, 2018 and approved by shareholders on April 18, 2018. On March 10, 2021, the Board amended the Equity Plan to: (1) reduce the maximum number of Common Shares issuable pursuant to Awards from 10% of the issued and outstanding Common Shares to 9.5% of the issued and outstanding Common Shares; (2) clarify that the nature and terms of Other Share-Based Awards (as defined below) are subject to TSX approval; and (3) update certain termination provisions of the Equity Plan as a result of certain changes in Ontario employment laws. On September 1, 2021, the Board adopted the US Addendum as an amendment to the Equity Plan; the US Addendum is further discussed under the heading "Particulars of Matters to be Acted Upon – US Addendum" below. Pursuant to the provisions of the Equity Plan, none of these amendments other than the adoption of the US Addendum required or requires the approval of Quarterhill's shareholders. An up-to-date copy of the Equity Plan as amended prior to the adoption of the US Addendum has been filed as an "Other" document on SEDAR at www.sedar.com on or about March 11, 2021.

The Equity Plan advances Quarterhill's interests by encouraging our employees, non-executive directors and consultants to receive equity-based compensation and incentives, to (1) increase the ownership interests of these persons in Quarterhill, (2) align the interests of these persons with the interests of our shareholders generally, (3) encourage these persons to remain associated with Quarterhill and (4) furnish these persons with additional incentive in their efforts on behalf of Quarterhill. The Board also contemplates that through the Equity Plan, we and our direct or indirect, wholly-owned subsidiaries ("**Subsidiaries**") will be better able to compete for and retain the services of the individuals needed for Quarterhill's continued growth and success.

Subject to adjustment pursuant to the terms of the Equity Plan, the maximum aggregate number of Common Shares that may be subject to issuance at any given time in connection with awards granted under the Equity Plan may not exceed 9.5% of the total number of issued and outstanding Common Shares (calculated on a non-diluted basis) at the time of any award grant less

any Common Shares issuable under any other Quarterhill "security based compensation arrangements" (as defined by the TSX) of which, there are currently none.

At December 31, 2021, 113,880,853 Common Shares were issued and outstanding, 9.5% of which would be 10,818,681 Common Shares. At December 31, 2021, Options to purchase up to 8,544,271 Common Shares, PSUs convertible into up to 123,936 Common Shares and RSUs convertible into up to 371,137 Common Shares were outstanding under the Equity Plan and no other awards were outstanding under the Equity Plan. As such, at December 31, 2021, there were 1,779,337 Common Shares available for grant in respect of future awards under the Equity Plan. The Equity Plan is an "evergreen" plan and, as such, subject to certain limits, Common Shares issued pursuant to awards under the Equity Plan will be available for re-grant under the Equity Plan. Common Shares subject to granted Awards that have expired, are forfeited, surrendered, cancelled or otherwise terminated prior to exercise or settlement of those Awards in Common Shares will be added back to the Common Shares available for grant under the Equity Plan. Common Shares will not be deemed to have been issued under the Equity Plan with respect to any portion of an Award that is settled in cash.

Under the Equity Plan, the Board may, at any time, appoint a committee of the Board to, among other things, interpret, administer and implement the Equity Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with the Equity Plan. The Board and/or the Compensation Committee may also, at any time, appoint one or more senior Quarterhill officers to, among other things, interpret, administer and implement the Equity Plan on behalf of the Board and/or the Compensation Committee in accordance with such terms and conditions as the Board and/or the Compensation Committee may prescribe, consistent with the Equity Plan. The Board, Compensation Committee or any such senior officer(s) conducting such actions is referred to in the Equity Plan as the "**Granting Authority**".

Eligible participants to be granted Awards under the Equity Plan are any employee or officer of Quarterhill or its Subsidiaries (an "**Employee**"), any member of the Board who is not an Employee (a "**Director**") and any person who is not an Employee or Director but who is engaged to provide services to Quarterhill or any Subsidiary for at least 12 continuous months (other than relating to a distribution of securities) under a written contract and who spends or will spend a significant amount of time and attention on Quarterhill's or its Subsidiaries' business (a "**Consultant**" and, together with Employees and Directors, "**Eligible Participants**").

The maximum number of Common Shares issuable at any time under the Equity Plan to Quarterhill insiders and their associates and affiliates ("**Insiders**") under all "security based compensation arrangements" may not exceed 9.5% of the then issued and outstanding Common Shares. The maximum number of Common Shares issued to Insiders under all "security based compensation arrangements" within any one-year period may not exceed 9.5% of the then issued and outstanding Common Shares. The maximum number of Common Shares which may be issued to any one Insider within any one-year period may not exceed 5% of the then issued and outstanding Common Shares. The number of Common Shares reserved for issuance to all Directors under the Equity Plan may not exceed 1% of the then issued and outstanding Common Shares. The aggregate Fair Market Value (defined below) of all Common Shares reserved for issuance pursuant to all Awards granted to any one Director in any one calendar year may not exceed \$150,000, of which value not more than \$100,000 may be comprised of Options.

The "**Fair Market Value**" of the Common Shares is the closing trading price per Common Share on the TSX (or if the Common Shares are not then listed on the TSX, then on the stock exchange on which the Common Shares are then traded) on the last trading day before the applicable date on which there was a closing price or, if the Common Shares are not listed on any stock exchange, then a price determined by the Board and/or the Compensation Committee.

The Equity Plan includes provision for the grant of Options, DSUs, RSUs, PSUs and Other Share-Based Awards. Settlement of vested DSUs, RSUs, PSUs and Other Share-Based Awards may be made by delivering Common Shares acquired in the open market and/or issued from treasury, or by making

a cash payment equal to the number of DSUs, RSUs, PSUs and Other Share-Based Awards multiplied by the Fair Market Value of the Common Shares on the date immediately preceding the settlement date, or by a combination of these methods. The manner of settlement for DSUs, RSUs, PSUs and Other Share-Based Awards will be determined by the Compensation Committee in its sole discretion. All awards granted pursuant to the Equity Plan will be subject to all statutory tax withholdings under applicable tax laws.

DSUs are notional units that each have the same value as one Common Share and may be used by Quarterhill as a way to pay directors' fees. Under the Equity Plan, Directors may choose, subject to restrictions and procedures imposed by the Equity Plan and applicable law, to take all or part of their fees in DSUs. DSUs may be paid out to Directors as Common Shares or in cash, at the discretion of the Board and/or the Compensation Committee, when they retire from the Board. We believe the use of DSUs can have the advantage of encouraging higher levels of share ownership by Directors, thereby aligning their interests more closely with those of our shareholders while also preserving our cash.

RSUs are share units which are granted to Eligible Participants and vest over time. RSUs are paid out to the holder at some later date but no later than 3 years from the year in which the RSUs were granted.

Generally, PSUs are performance-based share units which may be granted to Eligible Participants and conditioned on individual and/or corporate performance criteria established upon the grant of any PSUs against which actual performance can be compared. PSUs are paid out to the holder at a later date. Currently granted PSUs are described in greater detail under the heading "Compensation Discussion & Analysis – Long-term Incentive" above.

"Other Share-Based Awards" are rights that may be granted by the Granting Authority that are not Options, RSUs or PSUs and that are denominated in, or with reference to, Common Shares and/or payable in, or with reference to, Common Shares. Other Share-Based Awards will provide us with flexibility in structuring appropriate compensation plans while staying within the Board and shareholder approved provisions of the Equity Plan.

The exercise price per Common Share for Options is fixed by the Granting Authority but under no circumstances can the exercise price at the time of the grant be less than the Fair Market Value of the Common Shares on that date.

The term of Options granted will be determined by the Granting Authority and specified in the agreement under which that Option is granted, but will generally be 6 years, provided that no Option may have a term that exceeds 10 years from its date of grant and provided further that any Option that would otherwise expire during any period during which Quarterhill imposes trading restrictions on its Employees, Directors and/or Insiders, will have its term extended by 10 business days following the expiration of that period. The Granting Authority may determine the vesting schedule of any RSU or PSU at the time of grant. PSUs generally vest based on performance criteria as determined by the Granting Authority.

Issuances to Eligible Participants for their vested RSUs or PSUs will be as soon as reasonably possible following the date on which the RSUs or PSUs become vested.

Awards granted under the Equity Plan are non-transferable and non-assignable to anyone other than to the estate of an Eligible Participant in the event of death and then only in accordance with the terms of the Equity Plan.

If an Eligible Participant dies or terminates employment due to retirement from active employment with Quarterhill or a Subsidiary (as determined in accordance with Quarterhill's policies or as otherwise specified by the Board and/or Compensation Committee) ("**Retirement**") or has their

employment with Quarterhill or a Subsidiary become frustrated due to the happening of one or more supervening events or occurrences amounting to a radical transformation in such employment that is not the fault of such Eligible Participant, Quarterhill and/or such Subsidiary ("**Frustration**"), then: (a) they, their executor or administrator of their estate may exercise their Options that were vested at the date of such death, Retirement or Frustration prior to the earlier of the date that is 12 months following the date of such death, Retirement or Frustration and the date on which such Option expires; (b) a pro-rated portion of any unvested RSUs will immediately vest based on the number that would have vested on the next expected vesting date; (c) all other Awards will be forfeited; and (d) their eligibility to receive further Awards will terminate.

If an Eligible Participant resigns from Quarterhill, (a) they may exercise their Options that were vested at the date of such resignation prior to the earlier of the date that is 90 days following such resignation and the date on which such Options expire; (b) all other Awards will be forfeited to Quarterhill; and (c) their eligibility to receive further Awards will terminate.

If an Eligible Participant's employment is terminated and that Eligible Participant is entitled to the minimum applicable statutory period of notice of termination pursuant to applicable law, then: (a) they may exercise their Options that were vested at the date of such termination prior to the earlier of the date that is 90 days following such termination and the date on which such Options expire; (b) a pro-rated portion of any unvested RSUs will immediately vest based on the number that would have vested on the next expected vesting date; (c) all other Awards will be forfeited; and (d) their eligibility to receive further Awards will terminate. If an Eligible Participant's employment is terminated and that Eligible Participant is not entitled to the minimum applicable statutory period of notice of termination pursuant to applicable law (or a Director is terminated for breach of fiduciary duty), any Awards held by them will immediately expire and terminate.

Under the Equity Plan, a "**Change of Control**" means the happening of any of the following events:

- (i) any transaction at any time and by whatever means pursuant to which (A) Quarterhill goes out of existence by any means, except any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from the transaction or reorganization is substantially the same as the proportionate voting power of such holders of Quarterhill voting securities immediately prior to the transaction or reorganization or (B) any person or any group of 2 or more persons acting jointly or in concert (other than Quarterhill, a Subsidiary, an employee benefit plan of Quarterhill or of any of its Subsidiaries, including the trustee of any such plan acting as trustee) acquires the direct or indirect "beneficial ownership" (as defined in the CBCA) of, or acquires the right to exercise control or direction over, Quarterhill securities representing more than 50% of the then issued and outstanding Common Shares in any manner whatsoever, including as a result of a take-over bid, an exchange of securities, an amalgamation of Quarterhill with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
- (ii) the sale, assignment or other transfer of all or substantially all of the assets of Quarterhill to a person other than a Subsidiary;
- (iii) the dissolution or liquidation of Quarterhill except in connection with the distribution of assets of Quarterhill to one or more persons which were Subsidiaries immediately prior to such event;
- (iv) the occurrence of a transaction requiring approval of Quarterhill's shareholders whereby Quarterhill is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, arrangement or otherwise by any other person (other than a short form amalgamation or exchange of securities with a Subsidiary); or
- (v) the Board passes a resolution to the effect that, for the purposes of some or all granted Awards, an event described in any of (i) to (iv) above has occurred.

Under the Equity Plan, "**Change of Control Price**" means the highest price per Common Share paid in any transaction reported on a stock exchange or paid or offered in any *bona fide* transaction related to a potential or actual Change of Control at any time during the 5 trading days (or if the Common Shares are not listed on any stock exchange, during the 3-month period) preceding a Change of Control, as determined by the Board in its discretion.

Unless otherwise determined by the Granting Authority at or after their grant: (1) any Options outstanding immediately prior to the occurrence of a Change of Control, but which are not then exercisable, will become fully exercisable upon the occurrence of a Change of Control; and (2) all outstanding vested Options will be cashed out at the Change of Control Price, less the applicable exercise price for such Options, as of the date such Change of Control is determined to have occurred, or as of such other date as the Board and/or the Compensation Committee may determine prior to the Change of Control. Outstanding Options may only be so cashed out if the Change of Control Price is higher than the exercise price for such outstanding Options. If the Change of Control Price is equal to or lower than the exercise price for such outstanding Options, the Board and/or the Compensation Committee may terminate such outstanding Options. Further, the Board and/or the Compensation Committee may provide for the conversion or exchange of any outstanding Options into or for options, rights or other securities in any entity participating in or resulting from the Change of Control. In addition, the Board and/or the Compensation Committee may determine, in their discretion, that Options outstanding, but which are not then exercisable, shall not become exercisable and shall be cancelled in the event of a Change of Control.

Unless otherwise determined by the Granting Authority at or after their grant: (1) any RSUs, DSUs, PSUs or Other Share-Based Awards outstanding immediately prior to the occurrence of a Change of Control shall become fully vested upon the occurrence of a Change of Control; and (2) any RSU, DSU, PSU or Other Share-Based Award outstanding immediately prior to the occurrence of a Change of Control shall be cashed out at the Change of Control Price as of the date such Change of Control is deemed to have occurred, or as of such other date as the Board and/or the Compensation Committee may determine prior to the Change of Control. Further, the Board and/or the Compensation Committee may provide for the conversion or exchange of any RSU, DSU, PSU or Other Share-Based Award into or for rights or other securities in any entity participating in or resulting from the Change of Control. In addition, the Board and/or the Compensation Committee may determine, in their discretion, that outstanding RSUs, DSUs, PSUs or Other Share-Based Awards shall not become vested and shall be cancelled and forfeited to Quarterhill upon a Change of Control.

Subject to the rules and policies of any stock exchange on which the Common Shares are listed and applicable law, the Board and/or the Compensation Committee may, without notice or shareholder approval, amend the Equity Plan and/or granted Awards to make amendments:

- (i) to the general vesting provisions of any Award;
- (ii) to the general term of each Option **provided** that no Option held by an Insider may be extended beyond its original expiry date and no Option may be exercised after the 10th anniversary of its date of grant;
- (iii) to the termination of employment provisions of the Equity Plan;
- (iv) to add covenants of Quarterhill for the protection of Eligible Participants, **provided** that the Board and/or the Compensation Committee is of the good faith opinion that such additions will not be prejudicial to the rights or interests of such Eligible Participants;
- (v) not inconsistent with the Equity Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board and/or the Compensation Committee, having in mind the best interests of Eligible Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction

where an Eligible Participant resides, **provided** that the Board and/or the Compensation Committee is of the opinion that such amendments and modifications will not be prejudicial to the interests of Eligible Participants;

- (vi) which, on the advice of counsel to Quarterhill, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, **provided** that the Board and/or the Compensation Committee is of the opinion that such changes or corrections will not be prejudicial to the rights and interests of Eligible Participants; or
- (vii) that do not specifically require TSX and/or Quarterhill shareholder approval under the Equity Plan.

Generally pursuant to the Equity Plan, the Board and/or the Compensation Committee may alter, change or impair any rights or increase any obligations with respect to any previously granted Award with the consent of the Eligible Participant holding that Award.

None of the following amendments may be made to the Equity Plan without approval of the TSX (if Quarterhill has any securities listed on the TSX at that time) and the approval of Quarterhill's shareholders:

- (i) amendments to the Equity Plan which would increase the number of issuable Common Shares, otherwise than in accordance with the terms of the Equity Plan;
- (ii) amendments to the Equity Plan which would increase the number of Common Shares issuable to Insiders, otherwise than in accordance with the terms of the Equity Plan;
- (iii) amendments to the Equity Plan which would increase the number of Common Shares issuable to Directors, otherwise than in accordance with the terms of the Equity Plan;
- (iv) amendments that would extend the exercise period of any Options beyond the original expiry;
- (v) amendments that would increase (1) the maximum number of Common Shares reserved for issuance to Directors or (2) the maximum aggregate value of the Fair Market Value of all Common Shares reserved for issuance pursuant to all Awards granted to any one Director in any one calendar year;
- (vi) amendments that would permit the transfer or assignment of any Award for any reason other than an Eligible Participant's estate planning;
- (vii) amendments that would reduce the exercise price of any Options, otherwise than in accordance with the terms of the Equity Plan;
- (viii) amendments that would result in the cancellation of any Options held by any Eligible Participant and the related reissue of Options or other entitlements to that person;
- (ix) amendments to other provisions of the Equity Plan listed above that require TSX and shareholder approval for amendments; and
- (x) the addition of any form of financial assistance to an Employee or Director not otherwise provided for in the Equity Plan.

Quarterhill provides no financial assistance to participants to facilitate the purchase of securities under the Equity Plan.

The annual "burn rate" of all awards granted under the Equity Plan and Quarterhill's 2001 Share Option Plan that was terminated effective April 18, 2018 (together with the Equity Plan, collectively, the "Plans") for the years ended December 31, 2021, 2020 and 2019 is set out below as calculated in accordance with TSX requirements.

	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019
Plans Burn Rate ⁽¹⁾	2.53%	3.91% ⁽²⁾	1.91%

- (1) The burn rate is equal to the number of awards granted under the Plans during the applicable financial year divided by the weighted average number of Common Shares outstanding during the applicable financial year. For the financial year ended December 31, 2021, we granted Options to purchase up to 2,322,887 Common Shares and RSUs that could convert into up to 556,721 Common Shares, and had a weighted average of 114,013,610 Common Shares outstanding. For the financial year ended December 31, 2020, we granted Options to purchase up to 4,571,757 Common Shares and had a weighted average of 116,939,833 Common Shares outstanding. For the financial year ended December 31, 2019, we granted Options to purchase up to 1,183,918 Common Shares and PSUs that could convert into up to 1,091,020 Common Shares, and we had a weighted average of 118,817,466 Common Shares outstanding.
- (2) The Options granted in the year ended December 31, 2020 includes 1,400,000 "inducement" Options granted to our former President & Chief Executive Officer Paul Hill as additional consideration for joining Quarterhill in 2020 without which, the annual burn rate for the financial year ended December 31, 2020 would have been 2.71% representing Options to purchase up to 3,171,757 Common Shares and a weighted average of 116,939,833 Common Shares outstanding.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the number of Common Shares authorized for issuance from treasury under Quarterhill's equity compensation plans as at December 31, 2021.

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 security holders	9,039,344 ⁽¹⁾	\$2.22	1,779,337 ⁽²⁾
Equity compensation plans not approved by security holders	0	N/A	0
Total	9,039,344 ⁽³⁾	\$2.22	1,779,337 ⁽⁴⁾

- (1) Represents Common Shares issuable pursuant to the exercise of Options and vesting of RSUs and PSUs issued and outstanding under the Equity Plan at December 31, 2021.
- (2) Quarterhill's only equity compensation plan, the Equity Plan, provides for the issuance of up to 9.5% of the issued and outstanding Common Shares at any given time, being 10,818,681 Common Shares at December 31, 2021 (i.e. 9.5% of 113,880,853 issued and outstanding Common Shares at that date).
- (3) Represents approximately 7.94% of the 113,880,853 issued and outstanding Common Shares at December 31, 2020.
- (4) Represents approximately 1.56% of the 113,880,853 issued and outstanding Common Shares at December 31, 2020.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Management is not aware of any indebtedness outstanding to Quarterhill by any of our current or former directors, executive officers or other Quarterhill employees, any nominees for director or any of their respective associates or affiliates, or any guarantees, support agreements, letters of credit or similar arrangements provided by Quarterhill or our subsidiaries to any such persons, at any time since the commencement of our last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no interests of any directors, officers or holders of over 10% of the Common Shares, or any directors or officers of any holders of over 10% of the Common Shares, or any affiliates or

associates of any of the foregoing, in any transactions of Quarterhill during the financial year ended December 31, 2021 or in any proposed transaction that have materially affected or that would materially affect Quarterhill or any of our subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Quarterhill provides insurance for the benefit of its directors and officers against liability incurred by them in these capacities. The current aggregate policy limit for this insurance policy is \$30,000,000 with deductible amounts of \$250,000 to \$2,500,000 payable by Quarterhill. The aggregate annual premium for this insurance policy in the financial year ended December 31, 2021 was \$665,000 (plus Ontario tax) paid by Quarterhill.

NORMAL COURSE ISSUER BID

On August 10, 2020, Quarterhill put in place a normal course issuer bid (the "NCIB") pursuant to which we had the right but not the obligation to purchase up to 11,303,777 Common Shares, representing approximately 10% of the 113,037,776 Common Shares in our public float at July 31, 2020. The NCIB expired on August 9, 2021. Under the NCIB we repurchased a total of 3,047,936 Common Shares, all of which were cancelled. Quarterhill will provide a copy of our notice to the TSX relating to the NCIB without charge to any shareholder upon written request to our Corporate Secretary.

APPOINTMENT OF AUDITORS

At the Meeting, Quarterhill's shareholders will be asked to re-appoint Ernst & Young Canada LLP to serve as auditors until the close of the next annual meeting of the shareholders, and to authorize the Board to fix the remuneration of the auditors appointed.

Unless a shareholder directs its Common Shares to be withheld from voting in the appointment of auditors, Quarterhill management will vote the Proxy solicited in this Circular to re-appoint Ernst & Young Canada LLP, Chartered Accountants, as Quarterhill's auditors to hold office until the next annual meeting of shareholders and to authorize the directors to fix the auditors' remuneration. Ernst & Young Canada LLP was first appointed as our auditors on November 30, 2020. Prior to November 30, 2020, Quarterhill's auditors were PricewaterhouseCoopers LLP who acted for us since October 25, 2006.

The re-appointment of Ernst & Young Canada LLP as auditors of Quarterhill will be authorized if approved by a majority of votes cast by shareholders present in person or represented by proxy at the Meeting and entitled to vote thereon.

PARTICULARS OF MATTERS TO BE ACTED UPON

Equity Plan US Addendum Resolution

At the Meeting, Quarterhill's shareholders will be asked to consider, and if thought advisable, to approve, with or without variation, the Equity Plan US Addendum Resolution substantially in the form set out in **Exhibit A** to this Circular, approving the adoption of the US Addendum as an addendum to the Equity Plan. To become effective, the Equity Plan US Addendum Resolution must be approved by a majority of the votes cast at the Meeting.

Generally, and subject to the specific provisions of the US Addendum and the provisions of applicable United States tax laws, the provisions of the US Addendum permit Quarterhill to issue

Options to purchase up to an aggregate maximum of 5,000,000 Common Shares to its and its subsidiaries' employees (but not to non-employees) who are United States taxpayers as incentive stock options ("**Incentive Stock Options**"). Subject to the specific provisions of the US Addendum and the provisions of applicable United States tax laws, there is generally no tax on the exercise of an Option and the sale of any Common Shares issued upon the exercise of Incentive Stock Options is taxed at the United States federal capital gains tax rate. To permit such preferential tax rates, applicable United States federal income tax laws require that the adoption of the US Addendum be approved by Quarterhill's shareholders within 12 months from its adoption by the Board.

The preferential tax rates permitted by adopting the US Addendum are generally equal to the Canadian federal income tax treatment of Option holders who are only Canadian taxpayers and, as such, permits relatively equal treatment of Quarterhill and its subsidiary employees in Canada and the United States.

Recommendation of the Board of Directors

THE BOARD RECOMMENDS A VOTE FOR THE EQUITY PLAN US ADDENDUM RESOLUTION.

Effective September 1, 2021, the Board adopted the US Addendum as an addendum to the Equity Plan subject to approval by Quarterhill's shareholders at the Meeting. Quarterhill has been advised that our directors and senior officers intend to vote all Common Shares held by them in favour of the approval of the Equity Plan US Addendum Resolution. **In the absence of a contrary instruction, the persons designated by management of Quarterhill in the enclosed form of proxy intend to vote FOR the Equity Plan US Addendum Resolution.**

Articles of Amendment Special Resolution

At the Meeting, Quarterhill's shareholders will be asked to consider, and if thought advisable, to approve, with or without variation, the Amendment Special Resolution substantially in the form set out in **Exhibit B** to this Circular, approving an amendment to Quarterhill's current Articles to permit the Board to call and hold meetings of Quarterhill's shareholders in Canada or in any state in the United States in which Quarterhill or any of its subsidiaries has a physical office. To become effective, the Amendment Special Resolution must be approved by not less than two-thirds of the votes cast at the Meeting.

Generally, CBCA-governed corporations are required to hold meetings of shareholders at the place in Canada provided in its by-laws or, in the absence of such a provision, at the place within Canada determined by its directors. The CBCA does, however, provide that meetings of shareholders may be held at a place outside Canada if the place is specified in the corporation's articles or if all the shareholders entitled to vote at a meeting agree that the meeting is to be held in that place. Quarterhill's articles do not contain any such specification and, as such, requires the addition of language to permit meetings of shareholders to be held in the United States. The CBCA also provides that any resolution to "add, change or remove" any provision permitted to be set out in a corporation's articles must be a "special resolution" requiring the approval of not less than two-thirds of the votes cast in respect of that resolution.

As Quarterhill continues to grow and to add executive team members in the United States, by proposing the Amendment Special Resolution, the Board is seeking flexibility under the CBCA to hold meetings of Quarterhill's shareholders in the United States, but only in a US state where Quarterhill or its subsidiaries have a physical office. The Board expects that future meetings of Quarterhill's shareholders, whether held in Canada or in the United States, will be held in a "hybrid" format including both an "in person" component and a "virtual" component via the Internet, similar to the "virtual" meetings of Quarterhill's shareholders held in 2020 and 2021 and to be held in 2022, permitting shareholders to participate remotely in such meetings.

Recommendation of the Board of Directors

THE BOARD RECOMMENDS A VOTE FOR THE AMENDMENT SPECIAL RESOLUTION.

Quarterhill has been advised that our directors and senior officers intend to vote all Common Shares held by them in favour of the approval of the Amendment Special Resolution. **In the absence of a contrary instruction, the persons designated by management of Quarterhill in the enclosed form of proxy intend to vote FOR the Amendment Special Resolution.**

Shareholder Proposal

Pursuant to Section 137 of the CBCA and subject to the specific provisions of that Section, a registered holder or beneficial owner of shares of a corporation governed by the CBCA that are entitled to be voted at an annual meeting of shareholders may submit to that corporation notice of any matter that the person proposes to raise at the meeting, and that corporation is required to set out the proposal in the management proxy circular for that meeting or attach the proposal to that circular.

Quarterhill received a letter dated December 17, 2021 from a shareholder requesting that the Board include a proposal in this Circular (the "**Proposal**"). The text of the Proposal together with the Board's response to the Proposal are attached at **Exhibit C** to this Circular.

Recommendation of the Board of Directors

THE BOARD RECOMMENDS A VOTE AGAINST THE PROPOSAL.

Quarterhill has been advised that the directors and senior officers of Quarterhill and its subsidiaries intend to vote all Common Shares held by them against the approval of the Proposal. **In the absence of a contrary instruction, the persons designated by Quarterhill management in the enclosed form of proxy for use at the Meeting intend to vote AGAINST the Proposal.**

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires issuers to disclose the corporate governance practices that they have adopted. National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**") provides guidance on governance practices. Quarterhill is also subject to Multilateral Instrument 52-110 – *Audit Committees* ("**MI 52-110**"), which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees including Quarterhill's Audit Committee.

In addition, the CBCA requires prescribed corporations, including Quarterhill, to disclose certain prescribed information (the "**CBCA Diversity Requirements**") respecting diversity among their boards of directors and their senior management (i.e. for Quarterhill, the Chair and Vice-Chair of the Board, our President & Chief Executive Officer and Chief Financial Officer, each vice-president in charge of one of our principal business units, divisions or functions and each individual who performs a policy-making function for Quarterhill (collectively, "**Senior Management**").

The disclosure on corporate governance practices required by each of NI 58-101 and the CBCA Diversity Requirements is provided at **Exhibit D** to this Circular and the disclosure on audit committees required by MI 52-110 is provided in Quarterhill's current Annual Information Form dated March 10, 2022 and filed on SEDAR at www.sedar.com.

PARTICULARS OF OTHER MATTERS

Management knows of no other matters to come before the Meeting other than the matters referred to in the Notice of Meeting, however, if any other matters which are not now known to management should properly come before the Meeting, the Proxy will be voted upon such matters in accordance with the best judgment of the person voting the Proxy.

SHAREHOLDER PROPOSALS

Any person entitled to vote at the 2022 annual meeting of Quarterhill's shareholders, who desires to raise a matter at such meeting, must comply with the applicable provisions of the CBCA and may submit a proposal to Quarterhill no later than December 23, 2022 outlining the matter as specified in section 137 of the CBCA.

ADDITIONAL INFORMATION

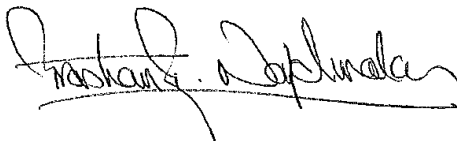
Additional information concerning Quarterhill may be found on SEDAR at www.sedar.com. Financial information is provided in Quarterhill's Financial Statements and MD&A for our most recently completed financial year. Quarterhill's Financial Statements for the year ended December 31, 2021 and related MD&A will be posted on SEDAR on or about March 22, 2022 and will be available by mail to shareholders who advised us or Computershare that they wished to receive them in accordance with applicable laws including pursuant to the Notice Package following March 25, 2022.

Information (including copies of the Financial Statements and MD&A) can be obtained free of charge by making a request of Quarterhill's Investor Relations Department at ir@Quarterhill.com.

DIRECTORS' APPROVAL

The undersigned hereby certifies that the directors of Quarterhill have approved the contents and the sending of this Circular.

DATED: March 10, 2022

A handwritten signature in black ink, appearing to read "Prashant Watchmaker", written over a horizontal line.

Prashant Watchmaker
Senior Vice-President, General Counsel & Corporate Secretary

Exhibit A
Equity Plan US Addendum Resolution

WHEREAS the Board of Directors (the "**Board**") of Quarterhill Inc. ("**Quarterhill**") adopted the Quarterhill Inc. 2018 Equity Incentive Plan on March 12, 2018 which was approved by Quarterhill's shareholders on April 18, 2018 and amended by the Board on March 10, 2021 (as so amended, the "**Equity Plan**") and all unallocated options, rights or other entitlements under the Equity Plan were most recently approved by Quarterhill's shareholders at the annual general and special meeting of shareholders on April 14, 2021;

AND WHEREAS on September 1, 2021, the Board adopted an addendum to the Equity Plan in the form set out at **Schedule A** to these resolutions intended to permit United States resident participants in the Equity Plan to obtain certain benefits under United States tax laws with respect to the exercise of certain employee stock options granted pursuant to the Equity Plan (the "**US Addendum**");

AND WHEREAS for United States resident participants to obtain such benefits, United States tax laws require that the US Addendum be approved by Quarterhill's shareholders within twelve months from the date of its adoption by the Board;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. the US Addendum be and is hereby approved and ratified by Quarterhill's shareholders as an addendum to the Equity Plan; and
2. any Quarterhill director or officer be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

Schedule A

ADDENDUM 1

Special Addendum to the Quarterhill Inc. 2018 Equity Incentive Plan – Provisions Applicable to Participants Subject to the United States Internal Revenue Code

This Addendum is effective as of September 1, 2021 and sets forth special provisions of the Quarterhill Inc. 2018 Equity Incentive Plan (the "**Plan**") that apply to U.S. Taxpayers. All Options issued under the Plan to U.S. Taxpayers are intended to comply with or be exempt from Section 409A of the Code, or any successor thereto, and all provisions hereunder shall be read, interpreted, and applied with that purpose in mind. Capitalized terms used but not defined in this Addendum shall bear the meanings ascribed thereto in the Plan, as it may be amended from time to time.

1. Interpretation.

(a) For the purposes of this Addendum, the following terms have the following meanings:

- (i) "**Incentive Stock Option**" means any Option granted under the Plan which is designated in the Grant Agreement (at the time it is granted) as an incentive stock option within the meaning of Section 422 of the Code or any successor thereto and satisfies the requirements of such section;
- (ii) "**Non-Qualified Option**" means any Option granted under the Plan to a U.S. Taxpayer which is not an Incentive Stock Option;
- (iii) "**Separation From Service**" shall have the meaning as set forth in United States Treasury Regulation Section 1.409A-1(h) (after giving effect to the presumptions contained therein);
- (iv) "**Share Compensation Arrangement**" means the Plan and any other Quarterhill stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Quarterhill securities from treasury including, without limitation, a Common Share purchase from treasury which is financially assisted by Quarterhill by way of a loan, guarantee or otherwise, but does not include any such arrangement which does not involve the issuance from treasury or potential issuance from treasury of any Quarterhill securities; and
- (v) "**Ten Percent Shareholder**" means a U.S. Taxpayer who owns (or is deemed to own pursuant to Section 424(d) of the Code) stock possessing more than ten percent (10%) of the total combined voting power of all classes of Quarterhill's and any of its subsidiaries' collective stock, as applicable (determined in accordance with Section 422 of the Code).

(b) The Plan and this Addendum are complementary to each other and shall, with respect to Options granted to U.S. Taxpayers, be read and deemed as one. In the event of any contradiction, whether explicit or implied, between the provisions of this Addendum and the Plan, the provisions of this Addendum shall prevail with respect to Options granted to U.S. Taxpayers. Options may be granted under this Addendum either as Incentive Stock Options or as Non-Qualified Options, subject to any applicable restrictions or limitations as provided under applicable law.

2. Application.

(a) The provisions of this Appendix are special rules and limitations that are applicable to Options

issued to Persons who are U.S. Taxpayers at the time of grant.

- (b) Incentive Stock Options may be granted with respect to a maximum of 5,000,000 Common Shares.
- (c) To the extent that the aggregate Fair Market Value (determined as of the time the Option is granted) of the Common Shares with respect to which Incentive Stock Options are exercisable for the first time by a U.S. Taxpayer under all Share Compensation Arrangements exceeds US\$100,000 during any calendar year, the Options or portions thereof that exceed such limit (according to the order in which they are granted) shall be treated as Non-Qualified Options in accordance with Section 422(d) of the Code or any successor thereto, notwithstanding any contrary provision of the Plan and/or any Award Agreement.
- (d) No U.S. Taxpayer shall be permitted to defer the recognition of income beyond the exercise date of a Non-Qualified Option or beyond the date that Common Shares received upon the exercise of an Incentive Stock Option are sold.
- (e) Each U.S. Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither Quarterhill nor any Affiliate of Quarterhill shall have any obligation to pay, indemnify or otherwise hold such U.S. Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties. None of Quarterhill nor any Affiliate of Quarterhill makes any representation regarding the tax treatment of any award under the Plan, including, without limitation, Sections 422 and 409A. None of Quarterhill nor any Affiliate of Quarterhill nor any Person acting on behalf of them, shall be liable to any Participant or to the estate or beneficiary of any Participant by reason of any acceleration of income, or any additional tax, asserted by reason of the failure of an award hereunder to satisfy the requirements of Section 409A.
- (f) Quarterhill and its Affiliates, if applicable, shall withhold taxes according to the requirements of applicable laws, rules, and regulations, including the withholding of taxes at source to satisfy any applicable federal, provincial, state, or local tax withholding obligation and employment taxes.
- (g) Each recipient of an Option who is or who becomes a U.S. Taxpayer is advised to consult with their personal tax advisor with respect to the tax consequences under federal, state, local and other tax laws of the receipt and/or exercise of any Option.
- (h) Without derogating from the powers and authorities of the Board detailed in the Plan, and unless specifically required under applicable law, the Board shall also have the sole and full discretion and authority to administer the provisions of this Addendum and all actions related thereto including, in addition to any powers and authorities specified in the Plan, the performance, from time to time and at any time, of either or both of the following:
 - (i) deciding whether to issue Options as Incentive Stock Options or as Non-Qualified Options; and
 - (ii) adopting standard forms of Grant Agreements to be applied with respect to U.S. Taxpayers, incorporating and reflecting, inter alia, relevant provisions regarding the grant of Options in accordance with this Addendum, and amending or modifying the terms of such standard forms from time to time.

3. Exercise Price. The Exercise Price of each Option granted under the Plan to a U.S. Taxpayer shall not be less than the Fair Market Value of a Common Share on the date such Option is granted. Notwithstanding any other provision of the Plan, in determining the Fair Market Value of a Common

Share under the Plan in connection with the grant of an Option to a U.S. Taxpayer, the Board will make the determination of Fair Market Value in good faith consistent with the rules of Sections 422 and 409A of the Code and the rules of the TSX, to the extent applicable.

4. Expiry of Option/Trading Blackouts. Notwithstanding any other provision of the Plan and any provisions of the Grant Agreement to the contrary, Options granted to U.S. Taxpayers may not be exercised under any circumstance following the 10 year anniversary of the date of grant.

5. Disqualifying Disposition. Without limiting the generality of any provision of this Addendum, if a U.S. Taxpayer sells or otherwise disposes of any Common Shares acquired pursuant to an Incentive Stock Option on or before the later of (a) the date two years after the date the Option is granted or (b) the date one year after the transfer of such Common Shares to the U.S. Taxpayer upon exercise of the Incentive Stock Option, then the U.S. Taxpayer shall notify Quarterhill in writing within 30 days after the date of any such disposition (a "**Disqualifying Disposition**") and shall remit to Quarterhill or its applicable Affiliate the amount of any applicable federal, state, provincial and local withholding and employment taxes which Quarterhill is required to collect (if any).

6. Adjustments to Options. Without limiting the generality of any provision of the Plan, in the event of a corporate transaction requiring the adjustment of an Option held by a U.S. Taxpayer, the number of Common Shares deliverable on the exercise of an Option held by a U.S. Taxpayer and the Exercise Price of an Option held by a U.S. Taxpayer shall be adjusted in a manner intended to keep the Options exempt from Section 409A, and to comply with Section 422, if applicable in the case of an Incentive Stock Option.

7. Amendment of Addendum. The Board shall retain the power and authority to amend or modify this Addendum and any Option to the extent the Board in its sole discretion deems necessary or advisable to comply with law or regulation, including to (a) comply with any guidance issued under Sections 409A and 422, and (b) preserve the intended tax treatment of any awards hereunder. Such amendments may be made without the approval of any U.S. Taxpayer.

8. Ten Percent Shareholders.

(a) If any U.S. Taxpayer to whom an Incentive Stock Option is to be granted under this Plan is, at the time of the grant of such Option, a Ten Percent Shareholder, then the following special provisions shall apply:

- (i) the per share price at which Common Shares may be purchased upon the exercise of an Incentive Stock Option shall be no less 110% of the Fair Market Value of a Share at such time as the Option is granted (as determined under the applicable provisions of the Code); and
- (ii) the maximum term of the Option shall not exceed 5 years from the date the Option is granted.

(b) Subject to the provisions of this **Section 8**, no Incentive Stock Option may be granted to a U.S. Taxpayer following the expiry of 10 years after the date on which this Plan is adopted by the Board.

Exhibit B
Amendment Special Resolution

WHEREAS Quarterhill Inc. ("**Quarterhill**") exists under and is governed by the *Canada Business Corporations Act* (the "**CBCA**") and, to permit Quarterhill's Board of Directors (the "**Board**") to call and hold meetings of Quarterhill's shareholders in the United States, the Board wishes to add the following language to the current "Other Provisions" set out on the current **Schedule B** to Quarterhill's current Articles by way of Articles of Amendment to be filed with the Director appointed under the CBCA without changing any other provision of such current Articles (collectively, the "**Articles of Amendment**");

"Meetings of shareholders shall be held at such place within Canada, or in any state in the United States of America in which the Corporation or any of its subsidiaries has a physical office, as the directors shall determine."

NOW, THEREFORE, BE IT RESOLVED THAT:

1. as a special resolution of Quarterhill's shareholders, the Articles of Amendment be and are hereby approved by Quarterhill's shareholders and Quarterhill be and is hereby instructed to file the Articles of Amendment with the Director appointed under the CBCA;
2. notwithstanding that these special resolutions have been passed by Quarterhill's shareholders, the Board may, without further action on the part of Quarterhill's shareholders, revoke these special resolutions at any time prior to the endorsement of a certificate of amendment of articles in respect of the Articles of Amendment; and
3. any Quarterhill director or officer be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director and officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of these special resolutions.

EXHIBIT C
Shareholder Proposal

The following shareholder proposal (the "**Proposal**") and accompanying supporting statement were submitted by Mr. George Christopoulos, of 49 Tinder Crescent, Toronto, Ontario, M4A 1L2 as a matter that Mr. Christopoulos intends to raise for consideration at the Meeting.

THE BOARD RECOMMENDS VOTING AGAINST THE PROPOSAL FOR THE REASONS SET OUT FOLLOWING THE TEXT OF THE PROPOSAL. UNLESS OTHERWISE INSTRUCTED, THE PERSONS DESIGNATED BY QUARTERHILL MANAGEMENT IN THE ENCLOSED FORM OF PROXY FOR USE AT THE MEETING INTEND TO VOTE AGAINST THE PROPOSAL.

The Proposal has been printed below in identical form to that originally submitted by Mr. Christopoulos without any changes including with respect to factual or grammatical errors contained in the original, but set off in italics. Pursuant to the provisions of the CBCA, we are required to include a properly submitted shareholder proposal in our circular. Quarterhill makes no representation, however, as to the accuracy or completeness of the Proposal and disclaims any and all liability for any claims resulting from the publication of the Proposal or related to any comments, opinions, statements or misstatements of fact made by Mr. Christopoulos in his Proposal.

"Shareholder Proposal: *Quarterhill Inc. adopt, with immediate effect, director term limits of 12 years.*

Supporting Statement:

Quarterhill shareholders have not enjoyed returns over the last 10 years commensurate with investment risk. In fact, returns have been negative.

Quarterhill has failed to adequately renew its board and optimize corporate governance, with negative consequences for shareholders.

*The announcement December 15, 2021 to sell Wi-LAN Inc. appears welcome. However, **Quarterhill's strategy over last 5 years has been inconsistent.** There have been **5 CEOs since April 2017.** From October 1, 2019 to May 4, 2020 there was no CEO.*

*A related concern is **board power appears concentrated with 2 longest standing directors: Gillberry and Skippen.** In addition to Board Chair, Gillberry sits on 3 committees including the Nominating Committee. Skippen, former CEO, is not an Independent Director, yet sits on Governance Committee.*

*Adoption of the Shareholder Proposal should **make following individuals ineligible to serve on Quarterhill board:***

	<u>Director</u>	<u>Age March 2022</u>	<u>Residence</u>	<u>Shares March 2021</u>
Gillberry	May 2005	65	Chelsley ON	115,364
Skippen	June 2006	59	Ottawa ON	451,500
Shorkey	April 2007	75	Ottawa ON area	56,716
McCarten	June 2010	77	Toronto ON	64,783

In addition to failure to deliver returns for shareholders over long term and introduce director term limits, Quarterhill's Corporate Governance/ board practices appear to have resulted in the following:

- 1. Failure to nominate new directors with appropriate skills/ experience in Quarterhill's now main area of focus, Intelligent Transportation Systems.*
- 2. **Concentration of power in 2 directors - Skippen and Gillberry** - by having both a Nominating Committee and Governance Committee.*

3. **Nominating Committee consists of just 2 directors:** Gillberry (3 Committees, also Board Chair) and McCarten (3 Committees).
4. Governance Committee may consist of just 2 directors: Skippen (former CEO, former Chair, not Independent) and Anderson (2 Committees). Meets only once a year.
5. **Michel Fattouche**, Independent Director, with the largest number of shares by far at 1,922,494, is only on Compensation Committee, and **not member of either the very key Governance or Nominating Committee**.
6. Rather than seeking out the most qualified directors to best manage Quarterhill/ create shareholder value, **4 of 8 director nominees (2021 AGM) reside in Ottawa area:**
Anderson (2 Committees)
Shorkey (1 Committee)
Skippen (Governance Committee)
Tosto (unknown Committees)
7. **6 of 8 nominees in March 2021 Circular had no other public board memberships during last 5 years.** Only Gillberry and Skippen have such. The nominees also included a very **disproportionate number of lawyers – 3.**
8. Good Governance Practices require maintaining a fully independent board, except for the CEO. Skippen was formerly Quarterhill's CEO and is not an Independent Director.
9. Over-compensating the board of directors - per March 2021 Circular, **director fees totaled \$996,794. Per March 2020 Circular, board fees were even higher at US\$959,715.**
10. Failing to highlight existence of Advance Notice By-Law (first adopted in May 2014) in subsequent Circulars.
11. Failure to impose director minimum share ownership requirements which are both sufficient and timely."

BOARD RESPONSE TO PROPOSAL:

The Board recommends that Quarterhill shareholders vote **AGAINST** the Proposal for the reasons set forth below.

Board Response:

The Board through its ESG Committee (previously, its Governance Committee) stays abreast of evolving governance best practices and trends applicable to companies of its size and nature and, in particular, has been considering introducing a term limit for the past few years although many commentators including the Canadian Coalition for Good Governance, Glass Lewis and Institutional Shareholder Services all maintain that term limits are not necessarily best practices in Canadian corporate governance. As described in the Circular, the Board has considered the Taskforce's recommendation on a maximum tenure limit for directors of publicly listed issuers set out in the Taskforce's Final Report and, relying on input from the ESG Committee and Quarterhill management, the Board has adopted the Tenure Policy. Because the Tenure Policy fundamentally adopts director term limits of 12 years, subject to certain restrictions specifically recommended by the Taskforce, Mr. Christopoulos' Proposal serves no useful purpose. Given the adoption of the Tenure Policy, Mr. Christopoulos has been invited by the Board to retract his Proposal but he has declined to do so.

In our view, the supporting statement provided by Mr. Christopoulos to his Proposal demonstrates both personal grievances against Quarterhill and its directors, officers and security holders and that Mr. Christopoulos has not fully researched or understood Quarterhill's governance or the Board's structure. In his supporting statement, Mr. Christopoulos cites matters that are significantly out of date, in some cases by more than 2 years, that reflect no legal basis, are generally out of touch with business norms or that are simply inaccurate.

Christopoulos Supporting Statement Claim	Quarterhill and Board Response
A related concern is board power appears concentrated with 2 longest standing directors: Gillberry and Skippen.	Mr. Gillberry is the Chairperson of the Board and Mr. Skippen is the Vice-Chairperson of the Board. As such they may have greater responsibilities than other Board members, but they have no more "power" than any other Board member. In fact, Mr. Skippen may have less "power" than any other Board member because he does not currently serve on any Board committee. At Quarterhill's 2021 annual and special meeting of shareholders, each of Messrs. Gillberry and Skippen obtained more than 92% of the votes cast by shareholders in their favour with only just over 7% of the votes cast against each of them.
Skippen, former CEO, is not an Independent Director, yet sits on Governance Committee.	For Canadian securities law purposes, the definition of "independent" is contained in National Instrument 58-101 – <i>Corporate Governance Disclosure</i> and Multilateral Instrument 52-110 – <i>Audit Committees</i> . Pursuant to this definition, Mr. Skippen has been an independent member of the Board since August 2021. Mr. Skippen does not currently serve on any Board committee (as clearly indicated on Quarterhill's website), although he was a member of our former "Governance Committee" (which does not require 100% "independent" membership under Canadian securities laws) until March 31, 2020.
In addition to failure to deliver returns for shareholders over long term and introduce director term limits, Quarterhill's Corporate Governance / board practices appear to have resulted in the following:	There is no requirement in law or agreement on any best corporate governance practice to have "director term limits" although the Board has adopted and is implementing the Tenure Policy.
Failure to nominate new directors with appropriate skills / experience in Quarterhill's now main area of focus, Intelligent Transportation Systems	Quarterhill focused its business on the Intelligent Transportation Systems market over the course of 2021 and the Meeting is the first opportunity following that period that Quarterhill has had to present Board nominees to our shareholders. Ms. Anna Tosto has been a member of the Board since April 14, 2021, Mr. Bret Kidd has been a member of the Board since December 17, 2021 and Mr. Rusty Lewis has been a member of the Board since March 3, 2022. Each of these individuals have skills and experience in the Intelligent Transportation Systems industry.
Concentration of power in 2 directors – Skippen and Gillberry – by having both a Nominating Committee and Governance Committee.	While the claim being made is unclear, as noted above, as Chairperson of the Board and Vice-Chairperson of the Board, respectively, Messrs. Gillberry and Skippen may have greater responsibilities than other Board members, but they have no more "power" than any other Board member and, in fact, Mr. Skippen may have less "power" than any other Board member because he does not currently serve on any Board committee.
Nominating Committee consists of just 2 directors: Gillberry (3 Committees, also Board Chair) and McCarten (3 Committees)	Since May 5, 2021, the Nominating Committee has comprised Dr. Michel Fattouche, Mr. Gillberry and Mr. Paul McCarten. Each of Dr. Fattouche and Mr. McCarten serves on one other Board committee. Mr. Gillberry serves on two other Board committees. These details are clearly indicated on the Quarterhill website and have been since at least May 12, 2021.
Governance Committee may consist of just 2 directors: Skippen (former CEO, former Chair, not Independent) and Anderson (2 Committees). Meets only once a year	Since May 5, 2021, the ESG Committee has comprised Ms. Roxanne Anderson, Dr. Fattouche & Ms. Anna Tosto. Mr. Skippen has not been a member of the ESG Committee or its predecessor, the Board's

Christopoulos Supporting Statement Claim	Quarterhill and Board Response
	"Governance Committee", since March 31, 2020. These details are clearly indicated on the Quarterhill website and have been since at least May 12, 2021. Although the former "Governance Committee" met only once in calendar 2020, the ESG Committee met three times in calendar 2021 and is expected to meet at least three times in calendar 2022.
Michel Fattouche, Independent Director, with the largest number of shares by far at 1,922,494, is only on Compensation Committee, and not member of either the very key Governance or Nominating Committee	Since May 5, 2021, Dr. Fattouche has been on the ESG Committee (successor to the Board's "Governance Committee") and the Nominating Committee. These details are clearly indicated on the Quarterhill website and have been since at least May 12, 2021.
Rather than seeking out the most qualified directors to best manage Quarterhill / create shareholder value, 4 of 8 director nominees (2021 AGM) reside in Ottawa area: Anderson (2 Committees), Shorkey (1 Committee), Skippen (Governance Committee), Tosto (unknown Committees)	It is accurate that Ms. Anderson, Mr. Shorkey, Mr. Skippen and Ms. Tosto live in the greater Ottawa area. Mr. Skippen has not, however, served on the "Governance Committee" since March 21, 2020 and, as of May 5, 2021, Ms. Tosto serves on the Compensation Committee and the ESG Committee. Current committee membership is clearly indicated the Quarterhill website and have been since at least May 12, 2021.
6 of 8 nominees in March 2021 Circular had no other public board memberships during last 5 years. Only Gillberry and Skippen have such. The nominees also included a very disproportionate number of lawyers – 3	At Quarterhill's 2021 annual and special meeting of shareholders, regardless of their background or professions, each of the nominees to the Board obtained more than 92% of the votes cast by shareholders in their favour and no more than only just over 7% of the votes were cast against them.
Good Governance Practices require maintaining a fully independent board, except for the CEO. Skippen was formerly Quarterhill's CEO and is not an Independent Director	Pursuant to the definition of "independent" in National Instrument 58-101 – <i>Corporate Governance Disclosure</i> and Multilateral Instrument 52-110 – <i>Audit Committees</i> , Mr. Skippen has been an independent member of the Board since August 2021. As such, the Board is "fully independent, except for the CEO".
Over-compensating the board of directors - per March 2021 Circular, director fees totaled \$996,794. Per March 2020 Circular, board fees were even higher at US\$959,715	As set out at page 36 of our March 10, 2021 circular, non-executive directors' fees for 2020 were \$690,332, plus each non-executive director received long-term compensation of \$43,780 in Options (based on the Black-Scholes option valuation model). As set out at page 35 of our March 9, 2020 circular, non-executive directors' fees for 2019 were \$540,077, plus each non-executive director (other than Mr. Ian McKinnon) received long-term compensation of \$34,096 in Options (based on the Black-Scholes option valuation model).
Failing to highlight existence of Advance Notice By-Law (first adopted in May 2014) in subsequent Circulars	The Advance Notice By-Law was specifically approved by shareholders on June 18, 2014, is published on the Quarterhill website and is also available SEDAR at www.sedar.com . We have provided a summary of the Advance Notice By-Law at page 9 of this Circular.
Failure to impose director minimum share ownership requirements which are both sufficient and timely	Quarterhill's current minimum Board Common Share ownership requirement is set out at page 39 of this Circular and has been in force since February 28, 2018. Generally, each Board member is required to hold Common Shares having a value equal to 3 times their annual base fee (\$189,000) based on the higher of the price actually paid for their Common Shares and the fair market value of the Common Shares on the last trading day of the immediately preceding year, with 5

Christopoulos Supporting Statement Claim	Quarterhill and Board Response
	years to reach this amount from February 28, 2018 or when they first join the Board after February 28, 2018. Prior to February 28, 2018, Board members were required to hold Common Shares, DSUs and/or cash-based restricted stock units having an aggregate value of \$50,000 prior to five years after joining the Board and until such time any Board member held that value of securities, they were required to (and did) receive all fees for serving on the Board in the form of DSUs.

Additional Comments:

Based on publicly available documents posted on and retrieved from SEDAR at www.sedar.com, it appears that Mr. Christopoulos has an extensive yet largely unsuccessful history of making shareholder proposals that agitate for making changes to small-to-mid sized Canadian public companies.

For example, Mr. Christopoulos has made shareholder proposals to AirIQ Inc., AlarmForce Industries Inc. and Brampton Brick Limited among other companies, all of which were opposed by those companies and their respective boards of directors. None of these proposals appear to have been adopted by the shareholders of these companies except that Mr. Christopoulos sought to be and was elected to the board of directors of AlarmForce Industries Inc. for a single one-year term despite that company's board of directors recommending against electing him. He was not re-elected to that board in accordance with its majority voting policy.

It appears that Mr. Christopoulos also made a shareholder proposal in 2009 to be "IMMEDIATELY ADDED AS A DIRECTOR" to the board of directors of AirIQ Inc. ("**AirIQ**"), a company in which he appears to have then held approximately 10.1% of the issued and outstanding shares eligible to vote to elect directors. In their May 25, 2009 management proxy circular for their June 30, 2009 shareholders' meeting, AirIQ indicated that it "does not believe Mr. Christopoulos is a suitable candidate for election to the board of directors" among other reasons because:

"Mr. Christopoulos has made several threats of lawsuits against existing and former directors and officers of the Corporation. Although Mr. Christopoulos has not, to date, followed through on these threats, they are highly distractive and have caused AirIQ to spend considerable time and money responding to each such threat. AirIQ does not feel that such actions are appropriate for a director."

"Mr. Christopoulos' proposals at the last shareholder meeting, which proposals were defeated by the shareholders, suggest that Mr. Christopoulos' overall focus does not take into account the best interests of the Corporation, which is a requirement for directors."

"Mr. Christopoulos has repeatedly called for the "sale of the Company", and yet his conduct and negative comments are impediments to such a transaction."

"In the view of management and the existing Board, Mr. Christopoulos has made disparaging comments and taken actions that have had a detrimental influence on the value of AirIQ, which is not a desirable attribute of a director nominee."

At AirIQ's June 25, 2009 shareholders' meeting, Mr. Christopoulos proposal to be added to the AirIQ board of directors was defeated by its shareholders.

Based on publicly available information, we believe that when Sandvine Corporation ("**Sandvine**") apparently determined not to publish a shareholder proposal made by Mr. Christopoulos, Mr. Christopoulos issued his own press release as a "concerned shareholder" indicating that he would be withholding the approximately 1.48% of Sandvine's outstanding shares over which he claimed to have

control or direction against the re-election of Messrs. Scott Hamilton and Roger Maggs to the Sandvine board of directors at its April 7, 2017 annual meeting of shareholders. At that meeting, Messrs. Hamilton and Maggs were actually re-elected to the Sandvine board of directors with 87.73% and 91.61% of Sandvine's shares voted in their favour respectively.

The Board respects all of Quarterhill's shareholders and has a history of Board members personally addressing legitimate issues that are brought to their attention by our shareholders. As such, the Board has attempted to engage with Mr. Christopoulos, taking into account both his rights as a Quarterhill shareholder under the CBCA and the Board's fiduciary duty to act in the best interests of Quarterhill. Mr. Christopoulos has, however, in our view demonstrated an unwillingness to engage on reasonable terms and continues to try to advance positions that we do not believe are supported. To the extent that Mr. Christopoulos or any Quarterhill shareholder wishes to engage with the Board on constructive terms, the Board welcomes having such discussions.

Board Recommendation:

Given all of the foregoing, the Board recommends you vote **AGAINST** this Proposal and in the absence of a contrary instruction, the persons designated by Quarterhill management in the enclosed form of proxy for use at the Meeting intend to vote **AGAINST** the Proposal.

Exhibit D
Statement of Corporate Governance Practices

1. Board of Directors	
(a) Disclose the identity of directors who are independent.	During the year ended December 31, 2021, Roxanne Anderson, Michel Fattouche, John Gillberry, Ron Laurie (to April 13, 2021), Paul McCarten, Richard Shorkey, James Skippen (since August 16, 2021) and Anna Tosto (since April 13, 2021) were "independent" directors (as that term is defined in National Instrument 58-101 – <i>Corporate Governance Disclosure</i> and Multilateral Instrument 52-110 – <i>Audit Committees</i>).
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	James Skippen was not "independent" until August 16, 2021 because he was Quarterhill's Executive Chair until August 16, 2018. Paul Hill was not an "independent" director because he has been Quarterhill's President & Chief Executive Officer until December 15, 2021 at which date he ceased to be a member of the Board Bret Kidd was not an "independent" director because he has been Quarterhill's President & Chief Executive Officer since December 15, 2021.
(c) Disclose whether or not a majority of directors are independent.	The Board is currently comprised of 8 members, 7 of whom are "independent" directors. If each person nominated for election to the Board at the Meeting is so elected, then the Board will be comprised of 8 members, 7 of whom will be "independent" directors.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	None of the members of the Board are currently directors of any other reporting issuer (or the equivalent).
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year.	"Independent" directors hold regularly scheduled meetings as part of quarterly Board meetings at which non-independent directors and members of management are not in attendance and may also call such meetings at any time in their discretion ^A . The members of the Board have held nine such meetings since January 1, 2021. The Audit Committee also has discussions with the auditors without management present. "Independent" directors have unfettered access to information regarding Quarterhill's activities and have the ability to engage outside advisors and the power to meet independently of management.
(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe their role and responsibilities.	Mr. Gillberry was appointed Chairperson of the Board effective April 1, 2019 and is an "independent" member of the Board. Mr. Gillberry ensures that the Board operates independently of management and that directors have a contact in a leadership role who is "independent".
(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.	Please refer to the attendance record for each member of the Board disclosed in their respective personal information contained at pages 12 to 19 of Quarterhill's accompanying Management Information Circular (the " Circular "). Ron Laurie was also a member of the Board until March 10, 2021 and attended each meeting of the Board held in 2021 until that date.

^A Although Mr. Skippen has generally attended such meetings, the Board considers Mr. Skippen to be actually independent of Quarterhill's management and believes these meetings enabled open and candid discussion among Quarterhill's "independent" directors. Mr. Skippen has been an "independent" (as that term is defined in National Instrument 58-101 – *Corporate Governance Disclosure* and Multilateral Instrument 52-110 – *Audit Committees*) member of the Board since August 16, 2021.

	Each of Paul McCarten and Richard Shorkey will cease to be members of the Board on April 21, 2022. Mr. McCarten has attended each meeting of each of the Board, the Compensation Committee and the Nominating Committee held in 2021. Mr. Shorkey has attended each meeting of each of the Board and the Audit Committee held in 2021.
2. Board Mandate	
Disclose the text of the board's written mandate.	The text of the Board's written mandate is set out in Exhibit D to the accompanying Circular.
3. Position Descriptions	
(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee.	The Board has developed written position descriptions for the Chairperson of the Board and for the chairs of each Committee.
(b) Disclose whether or not the board and CEO have developed a written position description for the CEO.	The Board has developed a written position description for the Chief Executive Officer.
4. Orientation and Continuing Education	
(a) Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business	Quarterhill has an onboarding process for new Board members to address orientation matters. Following the election of any new director, Quarterhill provides that director with copies of its charter documents, all of its most recent public disclosures, internal policies and hosts the new director at its next quarterly business update meeting to learn the fundamentals of our business. In addition, all members of the Board are encouraged to meet members of Quarterhill's and its subsidiaries senior management teams and to attend our quarterly business update meetings to remain up-to-date on Quarterhill's business.
(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors	Most regularly scheduled Board meetings include educational components relating to the fundamentals of our business taught by Quarterhill executives and our Corporate Secretary provides regular updates to the Board on corporate governance developments. Information on seminars and conferences is also passed along to directors but attendance at such events is not mandatory. The cost of attendance at seminars and conferences is paid by Quarterhill.
5. Ethical Business Conduct	
(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	The Board has adopted a written Code of Business Conduct and Ethics (the "Code"), with respect to which: (i) a copy of the Code is available on our website at www.Quarterhill.com and at www.sedar.com; (ii) the Code provides for a reporting mechanism to the Board and (iii) there has been no material change report filed that pertains to any conduct of a director or an executive officer that constitutes a departure from the Code
(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	The Code requires that directors be free of conflicting interests when they represent Quarterhill in business dealings or are making recommendations which could influence our subsequent actions. Directors and officers must also bring any potential or actual conflict of interest situation to the attention of the Chairperson of the Board for discussion, review and

	written approval if required.
(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.	The Board believes that the Code together with Quarterhill's Corporate Disclosure and Confidentiality Policy, Insider Trading Policy and Whistleblower Protection Policy on Financial Matters are sufficient to encourage and promote a culture of ethical business conduct within Quarterhill.
6. Nomination of Directors	
(a) Describe the process by which the board identifies new candidates for board nomination. (b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. (c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	The Nominating Committee, in consultation with the Chairperson and the Chief Executive Officer, is responsible for identifying qualified director candidates pursuant to the Nominating Committee Charter, a copy of which can be accessed at www.Quarterhill.com . The Nominating Committee is currently composed of Messrs. Fattouche, Gillberry and McCarten, each of whom is an "independent" director. The Nominating Committee Charter sets out the responsibilities, powers and operation of the Nominating Committee.
7. Compensation	
(a) Describe the process by which the board determines the compensation for the issuer's directors and officers	Please refer to the "Compensation Discussion and Analysis" and "Statement of Executive Compensation" sections in the accompanying Circular.
(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors.	The Compensation Committee is currently composed of Messrs. Gillberry and McCarten and Ms. Tosto, each of whom is an "independent" director.
(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	The Charter of the Compensation Committee can be accessed at www.Quarterhill.com and sets out the responsibilities, powers and operation of the Compensation Committee.
8. Other Board Committees	
If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The only other standing committee of the Board is the ESG Committee whose functions are summarized at page 22 of the accompanying Circular.
9. Assessments	
Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	The Nominating Committee has the ongoing responsibility of assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors. Evaluation criteria include such factors as the attendance record of individual Board members and the effectiveness of their participation at Board meetings. The Nominating Committee has implemented an annual anonymous survey relating to the effectiveness of the Board and its members to be completed by all Board members, the results of which are compiled by the Chair of the Nominating Committee and shared with and discussed by the Nominating Committee and the Board as a whole.
10. Director Term Limits	
Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.	Quarterhill has adopted the Tenure Policy more fully discussed at page 10 of the accompanying Circular. In addition, on at least an annual basis, the Board and the Nominating Committee each considers the participation and value of each Board member and makes recommendations to adjust Board membership when appropriate.
11. Policies Regarding the Representation of Designated Groups on the Board	
(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women, Aboriginal peoples, persons with disabilities, members of visible	Quarterhill is committed to diversity and inclusion at all levels in the workplace including on the Board. This includes a commitment to ensuring there are no systemic barriers or biases in our policies, procedures and practices. We believe

minorities (collectively, the "Designated Groups") as directors. If the issuer has not adopted such a policy, disclose why it has not done so.	that supporting a diverse workplace is a business imperative to attract and retain the brightest and most talented individuals. The Board has adopted a written policy (the "Board Diversity Policy") relating to the identification and nomination of members of Designated Groups.
(b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions; (ii) the measures taken to ensure that the policy has been effectively implemented; (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy; and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.	(i) The Board Diversity Policy: (1) recognizes that Quarterhill is committed to a merit-based system for Board composition within a diverse and inclusive culture which is free of conscious and unconscious bias and discrimination; (2) requires, in considering potential new candidates for the Board, with an intent to increasing Board diversity, the Nominating Committee to consider candidates respective merits based on a balance of background, skills, experience and knowledge and also to take into account considerations such as gender, age, aboriginal status, disabilities, visible minority status and other important personal aspects; (3) requires any search firm engaged to identify new candidates for the Board, to be specifically directed to include diverse candidates; and (4) requires the Nominating Committee, in its annual review of the size and composition of the Board, to identify imbalances or gaps, as well as opportunities that may be associated with further diversification and to work towards endorsing a balanced representation in terms of director tenure and age, and fostering of diversity in terms of positions of leadership and nomination of new Board members. (ii) We believe we currently comply with the provisions of the Board Diversity Policy. As positions open on the Board, Quarterhill will fill those positions in accordance with the provisions of the Board Diversity Policy. (iii) We believe we currently comply with the objectives of the Board Diversity Policy. (iv) The Nominating Committee undertakes an annual review of the Board Diversity Policy and its implementation together with its annual review of the Board and reports its conclusions to the Board as a whole. As positions open on the Board, Quarterhill will fill those positions in accordance with the provisions of the Board Diversity Policy.
12. Consideration of the Representation of Designated Groups in the Director Identification and Selection Process	
Disclose whether and, if so, how the board or nominating committee considers the level of representation of Designated Groups on the board in identifying and nominating candidates for election or re-election to the Board. If the issuer does not consider the level of representation of Designated Groups on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.	Pursuant to the Board Diversity Policy, the Nominating Committee, in its annual review of the size and composition of the Board, is required to identify imbalances or gaps, as well as opportunities that may be associated with further diversification and to work towards endorsing a balanced representation in terms of director tenure and age, and fostering of diversity in terms of positions of leadership and nomination of new Board members.
13. Consideration Given to the Representation of Designated Groups in Executive Officer / Senior Management Appointments	
Disclose whether and, if so, how the issuer considers the level of representation of Designated Groups in executive officer / senior management positions when making executive officer / senior management appointments. If the issuer does not consider the level of representation of Designated Groups in executive officer / senior	As noted, Quarterhill is committed to diversity and inclusion at all levels in the workplace and we believe that supporting a diverse workplace is a business imperative to attract and retain the brightest and most talented individuals. We have adopted a general diversity policy relating to the hiring of all employees including executive officers / Senior Management (the "General Diversity Policy") that contains similar requirements to the Board Diversity Policy.

management positions when making executive officer / senior management appointments, disclose the issuer's reason for not doing so.	Pursuant to the General Diversity Policy, we promote and support principles of diversity and inclusivity in all decisions regarding recruitment, hiring, promotion, compensation, employee development (such as training) and all other terms and conditions of employment.
14. Issuer's Targets Regarding the Representation of Designated Groups on the Board and in Executive Officer / Senior Management Positions	
(a) For the purposes of this Item, a "target" means a number or a percentage, or a range of numbers or percentages, adopted by the issuer of Designated Groups on the issuer's board or in executive officer / senior management positions of the issuer by a specific date. (b) Disclose whether the issuer has adopted a target regarding each group that is part of the definition of Designated Groups on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so. (c) Disclose whether the issuer has adopted a target regarding each group that is part of the definition of Designated Groups in executive officer / senior management positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so. (d) If the issuer has adopted a target referred to in either (b) or (c), disclose (i) the target and (ii) the annual and cumulative progress of the issuer in achieving the target.	(b) The Board has set a target going forward that at least 30.0% of the members of the Board will be women. Otherwise, Quarterhill has not generally adopted a target regarding each group that is part of the definition of Designated Groups on the Board due to the small size of the Board and the need to consider a balance of relevant criteria in each individual appointment. The Board has, however, implemented the Board Diversity Policy, expects future Board vacancies to be filled based on the terms of that policy. (c) Quarterhill has not adopted a target regarding each group that is part of the definition of Designated Groups in executive officer / Senior Management positions due to the small size of that group of persons (currently 11 such persons) and the need to consider a balance of relevant criteria in each individual appointment. Quarterhill has, however, implemented the General Diversity Policy and expects future executive officer vacancies to be filled based on the terms of that policy. (d) The Board has set a target going forward that at least 30.0% of the members of the Board will be women; if all of the current nominees are elected to the Board at the Meeting, then 37.5% of the Board members will be women.
15. Number of Members of Designated Groups on the Board and in Executive Officer / Senior Management Positions	
(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are members of each group that is part of the definition of Designated Groups. (b) Disclose the number and proportion (in percentage terms) of executive officers / senior management of the issuer, including all major subsidiaries of the issuer, who are members of each group that is part of the definition of Designated Groups.	(a) Of the eight nominees for election to the Board at the Meeting, three nominees are women and, if those nominees are elected to the Board at the Meeting, then 37.5% of the Board members will be women. No other group that is part of the definition of Designated Groups is currently represented on the Board. (b) Of Quarterhill's and its major subsidiaries' 11 executive officers / Senior Management at March 10, 2022: (i) two such persons (representing approximately 18.2% of all such executive officers / Senior Management) are women; and (ii) two such persons (representing approximately 18.2% of all such executive officers / Senior Management) are persons who are members of visible minorities. No other group that is part of the definition of Designated Groups is currently represented in Quarterhill's and its major subsidiaries' executive officers / Senior Management.

Exhibit E
Mandate of the Board of Directors of Quarterhill Inc.

QUARTERHILL INC.
BOARD OF DIRECTORS MANDATE

Appointment and Composition

Directors of Quarterhill Inc. ("**Quarterhill**") are elected annually by shareholders and, together with those appointed to fill vacancies or appointed as additional directors throughout the year, collectively constitute the Quarterhill Board of Directors (the "**Board**"). The Board will subsequently elect a Chairperson of the Board (the "**Chairperson**") who is not an executive officer of Quarterhill or any of its subsidiaries (collectively, the "**QH Group**") or each of a Chairperson who is an executive officer of any QH Group member **and** a lead director who is not an executive officer of any QH Group member. The Board may also elect a Vice-Chairperson of the Board who is not an executive officer of Quarterhill or any of its subsidiaries.

The composition of the Board, including the qualification of its members, shall comply with the applicable requirements of the *Canada Business Corporations Act*, the Toronto Stock Exchange and applicable securities regulatory authorities, as adopted or in force or amended from time to time. At least 25% of the directors must be "resident Canadian" as defined by the *Canada Business Corporations Act* and at least a majority of members of the Board should qualify as "independent" directors in accordance with the rules of applicable securities regulators (collectively, the "**Independence Rules**" and references herein to "independent" shall have the meaning given in the applicable Independence Rules).

Accountability and Mandate

The Board has the statutory power and obligation to supervise the management of Quarterhill. The Board's relationship with Quarterhill is guided by a fiduciary principle that requires each director to act honestly and in good faith with a view to Quarterhill's best interests. In exercising their powers and discharging their duties, every director must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board's primary role is one of stewardship. The Board oversees the operations of Quarterhill and supervises its management, which is responsible for the day-to-day conduct of its business. The Board establishes Quarterhill's policies, monitors its strategic direction and evaluates, on an ongoing basis, whether resources are being managed in a manner consistent with the enhancement of shareholder value, ethical considerations and corporate social responsibility.

In fulfilling all its roles, the Board and its individual members conduct themselves in compliance with Quarterhill's Code of Business Conduct and Ethics (the "**Code**") and Quarterhill's Corporate Disclosure and Confidentiality Policy (the "**Disclosure Policy**") including, without limitation, the confidentiality provisions of each of the Code and the Disclosure Policy, and Board members may not use any information received from Quarterhill for any personal or otherwise inappropriate purposes.

The Board also discharges its responsibilities through standing committees which currently include the following committees: Audit; Compensation; Environmental, Social & Governance; and Nominating. The charter of each standing committee prescribes its duties and responsibilities and is reviewed periodically by the Board.

In carrying out its responsibilities, the Board focuses on the following specific matters:

- (a) ensuring the protection and advancement of shareholder value;
- (b) setting Quarterhill's moral and ethical norms and satisfying itself, to the extent feasible, as to the integrity of Quarterhill's Chief Executive Officer (the "**CEO**") and other executive officers and that the CEO and other executive officers create a culture of integrity throughout Quarterhill;
- (c) reviewing and assessing the adequacy of Quarterhill's strategic corporate policies including its Insider Trading Policy, the Disclosure Policy, the Code and other relevant policies associated with ensuring an effective system of corporate governance (collectively, the "**Policies**"), including making any amendments to any Policy;

- (d) monitoring compliance with each Policy, authorizing and overseeing the investigation of any alleged breach of any Policy by any employee of any QH Group company or any member of the Board and granting any waivers with respect to any such breach if and to the extent appropriate;
- (e) reviewing all related party transactions involving Board members or QH Group employees, discussing the business rationales for any such transactions and determining whether appropriate disclosures have been made by any such Board members or employees to the Board as a whole;
- (f) receiving reports from legal counsel evidencing any material violation of applicable laws by Quarterhill or any breaches of fiduciary duties;
- (g) establishing procedures for effective Board meetings and otherwise ensuring that processes, procedures and structures are in place to ensure that the Board functions independently of Quarterhill management and without any conflicts of interest;
- (h) appointing the members of each of the Board's standing committees including the chairperson of each such standing committee;
- (i) approving the compensation for individual directors, with input from the Compensation Committee;
- (j) adopting a strategic planning process and approving, on an annual basis, a strategic plan which takes into account the opportunities and risks of Quarterhill's business;
- (k) identifying the principal risks of Quarterhill's business, ensuring the implementation of appropriate systems to monitor and manage those risks and monitoring and reviewing Quarterhill's risk exposures and the steps management has taken to monitor and control such exposures;
- (l) succession planning for Quarterhill and the Board including annually reviewing Quarterhill's management's development and succession plans including recruitment, training and evaluation matters contained therein;
- (m) approving the compensation of each of Quarterhill's senior executives with input from the Compensation Committee and approving any major changes to QH Group compensation programs and any significant restructuring of any QH Group members;
- (n) approving the corporate communications policy in line with the Disclosure Policy and overseeing its effective implementation, with primary emphasis on communication with shareholders;
- (o) approving annual and interim financial results, MD&A, management proxy circulars and their publication pursuant to the recommendations of the Audit Committee;
- (p) overseeing internal control and management information systems;
- (q) setting up measures for receiving feedback from shareholders;
- (r) overseeing all matters relating to Quarterhill's legal, regulatory and financial integrity; and
- (s) adopting, pursuant to the recommendation of the Environmental, Social & Governance Committee, a system of corporate governance policies and practices, including reviewing and approving Quarterhill's annual corporate governance disclosure as contained in Quarterhill's annual management proxy circular.

Individual Directors

The Board seeks directors from diverse professional and personal backgrounds with both a broad spectrum of experience and expertise and a reputation for business acumen and integrity. Potential new directors are assessed on their individual qualifications as well as skill, age and experience in the context of the needs of the Board. Individual directors are also expected to:

- prepare for each Board and committee meeting and maintain an excellent Board and committee meeting attendance record;

- participate fully and frankly in Board deliberations and discussions and demonstrate a willingness to listen to others' opinions and consider them;
- think, speak and act independently and be willing to raise tough questions in a manner that encourages open discussion;
- focus inquiries on issues related to strategy, policy and results rather than day-to-day issues of corporate management;
- participate on committees and become knowledgeable about the duties, purpose and goals of each committee;
- become knowledgeable about Quarterhill's business and the industries in which it operates, including the regulatory, legislative, business, social and political environments;
- participate in director orientation and development programs;
- become acquainted with senior managers;
- visit Quarterhill offices when appropriate; and
- annually review this Mandate and any other documents used by the Board in fulfilling its responsibilities.

Measures for Receiving Shareholder Feedback

Quarterhill has developed the Disclosure Policy to facilitate consistent disclosure practices aimed at informative, timely and broad dissemination of material information to the market in compliance with applicable securities laws and the applicable rules and policies of the Toronto Stock Exchange. The Disclosure Committee established under the Disclosure Policy is responsible for overseeing and monitoring communications with, and responses to inquiries from, both institutional and individual investors and the financial community consistent with the Disclosure Policy's objectives.

Quarterhill's spokespersons as appointed by the Disclosure Committee from time to time are available to shareholders by telephone, fax and e-mail and Quarterhill maintains extensive material of interest to shareholders and investors on Quarterhill's web site at www.Quarterhill.com.

General

The Board shall review and assess the adequacy of this Mandate annually. Nothing in this Mandate is intended, or is to be construed, to impose on any member of the Board a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.

QUESTIONS? NEED HELP VOTING?

CONTACT US

North American Toll Free Phone

1.855.476.7980

@ E-mail: contactus@kingsdaleadvisors.com

 Fax: 416.867.2271

Toll Free Facsimile: 1.866.545.5580

 Outside North America, Banks and Brokers
Call Collect: 416.867.2272

