



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 Monday, May 13, 2024 at 10:00 a.m. (Eastern time) (the "**Meeting**") as a virtual only meeting via live audio webcast online at: www.web.lumiagm.com/423648212 (Meeting ID: 423-648-212, Password: quarterhill2024).

The Meeting will be accessible virtually via live audio webcast on the Internet only (via the latest version of Chrome, Safari, Edge or Firefox). Quarterhill has adopted a virtual format for the Meeting to make participation accessible for our shareholders from any location with Internet connectivity, thereby providing all shareholders with an equal opportunity to participate at the Meeting regardless of their geographic location or their individual constraints, while providing a significantly cost-efficient and environmentally friendly manner in which to engage with our shareholders.

The same participation opportunities will be offered for the Meeting as have previously been provided at the in-person portion of our past meetings, while permitting an online experience available to all our shareholders regardless of their location. At this virtual Meeting, registered shareholders and duly appointed proxyholders will have an opportunity to participate, ask questions and vote in real time provided they comply with the applicable procedures set out in Quarterhill's April 4, 2024 Management Information Circular (the "**Circular**"). By virtually attending the Meeting, shareholders will also have the opportunity to hear from Charles (Chuck) Myers, Quarterhill's Chief Executive Officer, to learn more about our 2023 performance and our 2024 strategy and plans. Any shareholder that is unable to attend the Meeting virtually can still vote by proxy prior to the Meeting, as further described in the Circular.

The Meeting will be accessible online at www.web.lumiagm.com/423648212 (Meeting ID: 423-648-212, Password: quarterhill2024) starting at 10:00 a.m. (Eastern time) on May 13, 2024. 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, 2023 (the "**Financial Statements**"), together with the report of Quarterhill's auditors thereon;
2. fix the number of directors for the ensuing year at six;
3. elect the members of Quarterhill's Board of Directors (the "**Board**");
4. appoint Quarterhill's auditors and to authorize the Board to fix the auditors' remuneration;
5. consider and, if deemed appropriate, approve, adopt and ratify, with or without modification, the ordinary resolution to amend Quarterhill's 2018 Equity Incentive Plan (the "**Equity Plan**"), as more particularly set forth in the Circular, and also approve the grant of unallocated awards under the Equity Plan;
6. consider and, if deemed appropriate, approve, adopt and ratify, with or without modification, the ordinary resolution, the full text of which is set forth in the Circular, to authorize and approve Quarterhill's Employee Share Purchase Plan; and
7. transact such further or other business as may properly come before the Meeting or any adjournment or postponement of the Meeting.

A copy of the Circular and a form of proxy accompany this Notice. The specific details of the matters proposed to be put before the Meeting are set forth in the Circular.

The record date for the determination of shareholders entitled to receive notice of, and to vote at, the Meeting is March 27, 2024. Registered shareholders and duly appointed proxyholders can attend the Meeting, ask questions and vote, all in real time at www.web.lumiagm.com/423648212 (Meeting ID: 423-648-212, Password: quarterhill2024), **provided** they are connected to the Internet and comply with all 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 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 1-866-453-0330 or by otherwise following Computershare's instructions and, in any such case, not later than 10:00 a.m. (Eastern time) on May 9, 2024 or the last business day preceding any adjournment or postponement of the Meeting.

You will need a control number to participate in the Meeting. For registered shareholders, the control number will be listed on your form of proxy. For non-registered shareholders, any duly appointed proxyholder must obtain a control number by registering with Computershare at www.computershare.com/Quarterhill. **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.**

In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, Quarterhill has elected to use "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 available on SEDAR+ at www.sedarplus.ca 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 1-303-562-9305 (for service in English) or 1-303-562-9306 (for service in French). 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 May 3, 2024.

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 10:00 a.m. (Eastern time) on May 9, 2024 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 4th day of April, 2024.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Chuck Myers

Chuck Myers
Chief Executive Officer



QUARTERHILL

QUARTERHILL INC.

MANAGEMENT INFORMATION CIRCULAR

APRIL 4, 2024

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**" and, where appropriate, "**our**") to be held at 10:00 a.m. (Eastern time) on May 13, 2024. 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 April 4, 2024 unless otherwise indicated.

Shareholders will not be able to attend the virtual Meeting in person. The virtual Meeting will be accessible online only at www.web.lumiagm.com/423648212 (Meeting ID: 423-648-212, Password: quarterhill2024) starting at 10:00 a.m. (Eastern time) on May 13, 2024. 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 "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, 2023 (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 available on SEDAR+ at www.sedarplus.ca and 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 ("**Broadridge**") toll-free at 1-877-907-7643 or direct from outside North America at 1-303-562-9305 (for service in English) or 1-303-562-9306 (for service in French). 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 May 3, 2024.

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

The Meeting will be accessible virtually via live audio webcast on the Internet only at www.web.lumiagm.com/423648212 (Meeting ID: 423-648-212, Password: quarterhill2024). Quarterhill has adopted a virtual format for the Meeting to make participation accessible for our shareholders from any location with Internet connectivity, thereby providing all shareholders with an equal opportunity to participate at the Meeting regardless of their geographic location or their individual constraints, while providing a significantly cost-efficient and environmentally friendly manner in which to engage with our shareholders.

The same participation opportunities will be offered for the Meeting as have previously been provided at the in-person portion of our past meetings, while permitting an online experience available to all our shareholders regardless of their location. At this virtual Meeting, shareholders will have an opportunity to participate, ask questions and vote in real time provided they comply with the applicable procedures set out in this Circular. By virtually attending the Meeting, shareholders will also have the opportunity to hear from Chuck Myers, Quarterhill's Chief Executive Officer, to learn more about our 2023 performance and our 2024 strategy and plans. Any shareholder that is unable to attend the Meeting virtually, can still vote by proxy prior to the Meeting.

Registered shareholders and duly appointed proxyholders can attend the Meeting, ask questions and vote, all in real time, **provided** they are connected to the Internet (at www.web.lumiagm.com/423648212 (Meeting ID: 423-648-212, Password: quarterhill2024)) 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 can 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. SEE INSTRUCTIONS BELOW.

Voting by 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 will 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*.

The persons named in the Proxy are Quarterhill management's representatives (the "**Management Designees**"). **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 by following the instructions set out in the 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 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 1-416-263-9524 or by otherwise following Computershare's instructions, **no later than 10:00 a.m. (Eastern time) on May 9, 2024 or the last business day preceding any adjournment or postponement 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 the Management Designees) 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 10:00 a.m. (Eastern time) on May 9, 2024 or the last business day preceding any adjournment or postponement 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.**

Quarterhill Management Designees named in the Proxy or any other person you properly appoint as a proxy will vote or withhold from voting the Common Shares held by you and in respect of which they have been appointed proxyholder 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:

1. **FOR** the fixing of the number of directors for the ensuing year at six;
2. **FOR** the election of the directors named in this Circular;
3. **FOR** the appointment of Quarterhill's auditors named in this Circular;
4. **FOR** the approval, adoption and ratification of the ordinary resolution (the "**Equity Plan Resolution**") set out at **Exhibit C** to this Circular relating to the approval of the amendments to Quarterhill's 2018 Equity Incentive Plan, as may be amended from time to time (the "**Equity Plan**"), and the approval of the grant of unallocated awards thereunder; and
5. **FOR** the approval, adoption and ratification of the ordinary resolution to authorize and approve Quarterhill's Employee Share Purchase Plan,

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.

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 10:00 a.m. (Eastern time) on May 9, 2024 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 any such 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.

Interest of Certain Persons or Companies in Matters to be Acted Upon

None of Quarterhill's directors, any proposed directors or executive officers, or any associate or affiliate of any such person, by way of beneficial ownership of securities or otherwise, 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.

Voting Securities and Principal Holders Thereof

Only holders of record of Common Shares at close of business on March 27, 2024 (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, 115,076,583 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 executive officers, as at the Record Date, based on publicly available information, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of the Common Shares.

Advice to Non-Registered (Beneficial) Shareholders

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 a 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 CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms of which an Intermediary is a participant).

The Notice of Meeting, the Proxy or Voting Instruction Form 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 pursuant to 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 Package, and non-objecting beneficial owners will also receive the request for voting instructions form 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) 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.

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 10:00 a.m. (Eastern time) on May 9, 2024 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 THEN REGISTER THE PROXYHOLDER AND OBTAIN A CONTROL NUMBER – 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 THE PROXYHOLDER WITH A CONTROL NUMBER BY E-MAIL.

You should follow the instructions on the request for voting instructions and contact your broker or other intermediary if you require assistance.

If you received these materials from your Intermediary

If you are a Non-Registered Holder and have received the Notice Package 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 (OR HAVE ANOTHER PERSON ATTEND AND VOTE ON YOUR BEHALF), YOU **MUST** COMPLETE, SIGN AND RETURN THE ENCLOSED REQUEST FOR VOTING INSTRUCTIONS IN ACCORDANCE WITH THE DIRECTIONS PROVIDED, AND YOU MUST ALSO REGISTER TO ATTEND THE MEETING AS SET OUT BELOW AFTER YOU HAVE SUBMITTED YOUR COMPLETED PROXY OR VOTING INSTRUCTION FORM – FAILURE TO REGISTER AS PROXYHOLDER WILL RESULT IN YOU 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.

You should follow the instructions on the request for voting instructions and contact your broker or other intermediary promptly if you require assistance.

B. Form of Proxy.

The form of proxy must be signed by the Intermediary (typically by a facsimile, stamped signature) and completed to indicate the number of Common Shares you beneficially own. Otherwise, it 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 "Voting by Proxy" above.

IF YOU WISH TO ATTEND THE VIRTUAL MEETING AND VOTE IN PERSON, YOU MUST INSERT YOUR NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. 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 – 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. ALL APPOINTEES MUST FOLLOW THE INSTRUCTIONS TO OBTAIN A CONTROL NUMBER FOR VOTING AT THE MEETING. IF NOT COMPLETED CORRECTLY, THEY WILL NOT RECEIVE THE CONTROL NUMBER FROM COMPUTERSHARE.

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 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 10:00 a.m. (Eastern time) on May 9, 2024 or the last business day preceding any adjournment or postponement of the Meeting.

You should follow the instructions on the proxy document which you received and contact your Intermediary promptly if you need assistance.

Advice for 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 10:00 a.m. (Eastern time) on May 9, 2024. 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 www.web.lumiagm.com/423648212 (Meeting ID: 423-648-212, Password: quarterhill2024) 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 will 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, albeit by posting the question to the Meeting website. 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 instructions for guests, registered shareholders and duly appointed proxyholders:

1. Log in online at www.web.lumiagm.com/423648212 (Meeting ID: 423-648-212, Password: quarterhill2024). For registered shareholders and duly appointed proxyholders, click "I have a login", for guests, click "I am a guest". 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 twenty minutes prior to the start time of the Meeting.
2. For registered shareholders and duly appointed proxyholders, where prompted, enter your Control Number (see below) as the username and password "quarterhill2024" (case sensitive). THE MEETING ID NUMBER IS: 423-648-212.

OR

For guests, click "Guest" and then complete the online form.

For Control Numbers:

- registered shareholders: the control number located on the form of proxy, or in 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 (must obtain a control number by registering with Computershare at www.computershare.com/Quarterhill).

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. 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.**

Quorum

The by-laws of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders if at least two persons holding or representing by proxy not less than 25% of the outstanding shares entitled to vote at the meeting are present.

PARTICULARS OF THE MATTERS TO BE ACTED UPON

ITEM 1 - 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 have filed an Annual Information Form for our financial year ended December 31, 2023 and our Financial Statements on SEDAR+ at www.sedarplus.ca, which Annual Information Form and Financial Statements contain, among other things, the disclosure required under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Section 9 of the Annual Information Form includes the information required to be disclosed in Form 52-110F1 of NI 52-110.

ITEM 2 - FIXING THE NUMBER OF DIRECTORS

The term of office of each of the current directors expires at the Meeting. At the Meeting, shareholders will be asked to consider a resolution fixing the number of directors of Quarterhill to be elected at six members.

The Board of Directors of Quarterhill (the “Board”) unanimously recommends that the Shareholders vote “FOR” the resolution to fix the number of directors of Quarterhill at six. Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the resolution in favour of fixing the number of directors to be elected at the Meeting at six.

ITEM 3 - ELECTION OF DIRECTORS

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.sedarplus.ca. 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.

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 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”. In 2023 the Tenure Policy has been fully implemented and functions 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 environmental, social & governance and nominating committee (the “**ESG and Nominating Committee**”) to assist in ongoing Board

renewal.

The Nominees

At the Meeting, shareholders will be asked to consider a resolution electing the directors of Quarterhill to hold office until the earlier of the next annual meeting of Quarterhill's shareholders or until his or her successor is duly elected or appointed, unless such director's office is earlier vacated in accordance with our by-laws. The persons nominated are, in the opinion of the Board, qualified to direct the activities of Quarterhill until the next annual meeting of shareholders. All nominees have indicated their willingness to stand for election.

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 including whether that person is considered to be an "independent" (as that term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and NI 52-110) member of the Board. 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, deferred stock units ("DSUs") and restricted stock units ("RSUs") 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 March 27, 2024. None of the nominees hold any other types of securities of Quarterhill.

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**") and the ESG and Nominating Committee. Effective May 9, 2023, the Nominating Committee and ESG Committee were combined by resolution of the Board.

Quarterhill management does not contemplate that any of the Board nominees described in the following pages 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 voted against any particular nominee to the Board.

The Board unanimously recommends that the shareholders vote "FOR" each of the director nominees listed below at the Meeting. Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board.



ROXANNE ANDERSON, Ottawa, Ontario, 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. In June 2023, Ms. Anderson was appointed to the Board of the Public Health Agency of Ontario. In June 2022, Ms. Anderson was appointed to the Board of the Distress Centre of Ottawa & Region and is also the Treasurer. 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 former co-Chair of the Executive Committee of the Ottawa Chapter of the Institute of Corporate Directors. Ms. Anderson is also a former member of the Board of Trustees of the Royal Ottawa Health Care and former Chair of the Board of the Royal's Institute for Mental Health Research.

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" member of the Board and is Chair of the Audit Committee.

Skills & Expertise: Accounting & Finance; Corporate Governance; Corporate Transformation & Turnaround; Cyber / Information Security; Leadership; Mergers & Acquisitions; Risk Management; Strategic Planning; and Technology

Attendance at Board Meetings: 7/7

Attendance at Committee Meetings: Audit Committee 4/4

Securities Held on March 27, 2024:

Common Shares: 98,891 **Market Value of Common Shares:** \$177,015 ⁽¹⁾
Minimum Equity Ownership: Attained

DSUs: 110,400 **Market Value of DSUs:** \$197,616 ⁽¹⁾

RSUs: N/A **Market Value of RSUs:** N/A

Options:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
May 31, 2018	May 31, 2024	59,523	\$2.02	59,523	\$0
Aug 7, 2019	Aug 7, 2025	56,818	\$1.76	56,818	\$10,795
May 25, 2020	May 25, 2026	50,251	\$1.99	50,251	\$0
May 10, 2021	May 10, 2027	41,841	\$2.39	41,841	\$0
May 13, 2022	May 13, 2028	46,728	\$2.14	46,728	\$0

Public Board Membership During Past 5 Years: None

Public Board Interlocks: None

⁽¹⁾ Based on the TSX closing price of the Common Shares of \$1.79 on March 27, 2024.



RUSTY LEWIS, Pennsylvania, USA

Mr. Lewis is a Senior Advisor to Brown Brothers Harriman Capital Partners, where he also serves as a Board Director on one of their portfolio companies, Clever Devices, that provides ITS systems and services to transit agencies globally. 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, until 2004, was part of management of Transcore, which led the market in RFID electronic toll collection systems. He sold Transcore to SAIC in 1994 (Transcore was most recently sold by Roper Technologies, Inc. to Singapore Technologies Engineering in 2022).

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

Mr. Lewis is an "independent" member of the Board, Chair of the Board, and a member of each of the Compensation Committee, and ESG and Nominating Committee⁽²⁾.

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

Attendance at Board Meetings: 7/7

Attendance at Committee Meetings: ESG and Nominating Committee 1/1⁽²⁾, Compensation Committee 3/3

Securities Held on March 27, 2024:

Common Shares: 1,502,585 **Market Value of Common Shares:** \$2,689,627 ⁽¹⁾
Minimum Equity Ownership: Attained

DSUs: 150,400 **Market Value of DSUs:** \$269,216 ⁽¹⁾

RSUs: N/A **Market Value of RSUs:** N/A

Options:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
May 13, 2022	May 13, 2028	46,728	\$2.14	46,728	\$0

Public Board Membership During Past 5 Years: None

Public Board Interlocks: None

(1) Based on the TSX closing price of the Common Shares of \$1.79 on March 27, 2024.

(2) Mr. Lewis was appointed to the ESG and Nominating Committee on August 8, 2023.



WILLIAM (BILL) MORRIS, Toronto, Ontario, Canada

Mr. Morris is a seasoned leader with extensive managerial and board experience. He spent 36 years at Accenture, where he was CEO of Accenture Canada for 13 years. As Accenture Canada's leader, he grew revenue from \$250 million to \$1.3 billion and led a team of 5,000 employees. Previously he led Accenture's North American Resources operating unit and built a BPO business providing billing and customer care services to North American utilities. Mr. Morris was the 2017 winner of the Women's Executive Network Vanguard Award for leadership in inclusion and diversity. Bill retired from Accenture in 2019.

Director since: August 2023
Age: 63
Independent

Mr. Morris is currently a Director and Chair of the Compensation, Nominating and Governance Committee at Pivotree Inc. (TSX-V:PVT). He was previously a Director and Chair of the Compensation and Governance Committee at NexJ Systems Inc. (previously, TSX:NXJ) until its sale to Constellation Software in 2022. He is an advisor to Tequity Advisors, a sell-side M&A boutique, and sits on the boards of two private companies engaged in carbon markets – ClearBlue Markets and Boreal Carbon Corporation - and is a senior advisor to the Nature Conservancy of Canada. Mr. Morris holds the ICD.D designation and has a Bachelor of Commerce (Honours) degree from Queen's University.

Mr. Morris is an "independent" member of the Board, the Chair of the Compensation Committee, and a member of the Audit Committee.

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

Attendance at Board Meetings: 3/3

Attendance at Committee Meetings: Compensation Committee 2/2; Audit Committee 1/1

Securities Held on March 27, 2024:

Common Shares: 71,900

Market Value of Common Shares: \$128,701 ⁽¹⁾

Minimum Equity Ownership: Not Attained – Mr. Morris has until 2028 to achieve his minimum equity ownership goal

DSUs: 60,259

Market Value of DSUs: \$107,864 ⁽¹⁾

RSUs: N/A

Market Value of RSUs: N/A

Options:

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

Public Board Membership During Past 5 Years: Pivotree Inc. (TSX-V: PVT); NexJ Systems Inc. (previously, TSX: NXJ)

Public Board Interlocks: Pivotree Inc. (TSX-V: PVT)

(1) Based on the TSX closing price of the Common Shares of \$1.79 on March 27, 2024.



CHUCK MYERS, Austin, Texas, USA

Mr. Myers joined the Board of Directors on May 9, 2023 and was appointed Quarterhill's Chief Executive Officer on September 5, 2023. He has more than 25 years of leadership experience as a CEO, board member and advisor, and founder for private and public companies in the technology industry.

Prior to joining Quarterhill, Mr. Myers was CEO and a board member at Cogniac Corporation, a provider of enterprise-class AI deep learning solutions. Under his leadership, Cogniac was named "2021 Global Entrepreneurial Company of the Year in Computer Vision" by Frost & Sullivan and "A Global Leader" by IDC in 2022. Prior to Cogniac, Mr. Myers was President, CEO, and a board member at Airgain, Inc. (NASDAQ: AIRG), a leading provider of embedded antenna technologies used to enable high performance wireless networking. Earlier in his career, Mr. Myers was a co-founder of the SAIC Transportation Division and was instrumental in building the first electronic toll collection system in the U.S. That single project led to the creation of Transcore, one of the largest electronic toll collection providers in the world. During this period, Mr. Myers played significant roles in several acquisitions including Syntonic, Cubic Toll Systems, and JHK Associates.

Mr. Myers holds a Master of Science degree in Management of Technology from MIT, a Bachelor of Science degree in Engineering from National University, and an Organizational Leadership Certificate from Yale School of Management.

Mr. Myers is not an "independent" member of the Board as he is Quarterhill's Chief Executive Officer.

Skills & Expertise: Accounting & Finance; Corporate Governance; Cyber / Information Security; Executive Compensation; Leadership; Legal; Mergers & Acquisitions; Public Company Management; Risk Management; Strategic Planning; Technology; and Transportation Systems

Attendance at Board Meetings: 4/4

Attendance at Committee Meetings: Audit Committee 1/1 (prior to becoming Quarterhill's CEO)

Securities Held on March 27, 2024:

Common Shares: 149,654

Market Value of Common Shares: \$267,881 ⁽¹⁾

Minimum Equity Ownership: Not Attained – Mr. Myers has until 2028 to achieve his minimum equity ownership goal

DSUs: 98,400

Market Value of DSUs: \$176,136 ⁽¹⁾

RSUs: 438,477

Market Value of RSUs: \$784,874

Options:

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

Public Board Membership During Past 5 Years: None

Public Board Interlocks: None

⁽¹⁾ Based on the TSX closing price of the Common Shares of \$1.79 on March 27, 2024.



PAMELA STEER, Toronto, Ontario, Canada

Director since: April 2022
Age: 54
Independent

Pamela Steer, FCPA, FCA, CFA, is the President & Chief Executive Officer of Chartered Professional Accountants of Canada, the body that works with provincial and territorial CPA bodies as well as with the International Federation of Accountants and the Global Accounting Alliance to build a stronger accounting profession worldwide. Ms. Steer sits on the board of the Global Accounting Alliance is a founding member of the Advisory Board of the Institute for Sustainable Finance and is 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.

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 and 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.

Ms. Steer is an "independent" member of the Board and is a member of each of the Audit Committee and the ESG and Nominating Committee.

Skills & Expertise: Accounting & Finance; Corporate Governance; Cyber / Information Security; Executive Compensation; Leadership; Public Company Management; Risk Management; and Strategic Planning

Attendance at Board Meetings: 7/7

Attendance at Committee Meetings: Audit 4/4, ESG and Nominating Committee 1/1⁽²⁾

Securities Held on March 27, 2024:

Common Shares: 66,000 **Market Value of Common Shares:** \$118,140 ⁽¹⁾
Minimum Equity Ownership: Not Attained – Ms. Steer has until 2027 to achieve her minimum equity ownership goal

DSUs: 94,400 **Market Value of DSUs:** \$168,976 ⁽¹⁾

RSUs: N/A **Market Value of RSUs:** N/A

Options:

Date of Grant	Expiry Date	Number Granted	Exercise Price	Unexercised	Value of In-the-Money Unexercised Options ⁽¹⁾
May 13, 2022	May 13, 2028	46,728	\$2.14	46,728	\$0

Public Board Membership During Past 5 Years: None

Public Board Interlocks: None

⁽¹⁾ Based on the TSX closing price of the Common Shares of \$1.79 on March 27, 2024.

⁽²⁾ Ms. Steer was appointed to the ESG and Nominating Committee on August 8, 2023.



ANNA TOSTO, Ottawa, Ontario, 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. She is member of the Law Society of Ontario as well as multiple industry organizations.

Ms. Tosto is an "independent" member of the Board, the Chair of ESG and Nominating Committee, and a member of the Compensation Committee.

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

Attendance at Board Meetings: 7/7

Attendance at Committee Meetings: Audit 2/2 (to May 9, 2023), Compensation Committee 2/2, ESG and Nominating Committee 2/2, ESG Committee 1/1

Securities Held on March 27, 2024:

Common Shares: 37,500

Market Value of Common Shares: \$67,125 ⁽¹⁾

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

DSUs: 109,600

Market Value of DSUs: \$196,184 ⁽¹⁾

RSUs: N/A

Market Value of RSUs: N/A

Options:

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
May 13, 2022	May 13, 2028	46,728	\$2.14	46,728	\$0

Public Board Membership During Past 5 Years: None

Public Board Interlocks: None

⁽¹⁾ Based on the TSX closing price of the Common Shares of \$1.79 on March 27, 2024.

Corporate Cease Trade Orders or Bankruptcy

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, 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.

Penalties and Sanctions

To Quarterhill's knowledge, no proposed director has, as at the date hereof, been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

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:

- 1. Accounting & Finance – meaning being a Chartered Professional Accountant or having a similar designation or being "financially literate" as defined in applicable laws;
- 2. 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;
- 3. Cyber / Information Security – meaning having current or former senior experience specifically in advising and/or assisting organizations similar to Quarterhill with respect to identifying, managing and minimizing their cyber or information security risks;
- 4. 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;
- 5. 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;
- 6. Legal – meaning being a current or former practicing corporate attorney, lawyer, solicitor or barrister;
- 7. Mergers & Acquisitions – meaning having proven experience in mergers and acquisitions from an accounting, business, finance and/or legal perspective;
- 8. 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;
- 9. 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;
10. 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;
 11. 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
 12. 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 and Nominating 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	Rusty Lewis	Bill Morris	Chuck Myers	Pamela Steer	Anna Tosto
Accounting & Finance	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓
Cyber / Information Security	✓		✓	✓	✓	
Executive Compensation		✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	
Legal				✓		✓
Mergers & Acquisitions	✓	✓	✓	✓		✓
Public Company Management		✓	✓	✓	✓	
Risk Management	✓	✓		✓	✓	✓
Strategic Planning	✓	✓	✓	✓	✓	✓
Technology	✓	✓	✓	✓		✓
Transportation Systems		✓		✓		✓

ITEM 4 - 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. 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 Board unanimously recommends that the shareholders vote "FOR" the resolution re-appointing Ernst & Young Canada LLP as auditors of Quarterhill and authorizing the Board to fix the remuneration of Ernst & Young Canada LLP. Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the resolution re-appointing Ernst & Young Canada LLP as auditors of Quarterhill and authorizing the Board to fix the remuneration of Ernst & Young Canada LLP.

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.

ITEM 5 - AMENDMENTS TO EQUITY PLAN AND APPROVAL OF UNALLOCATED AWARDS UNDER EQUITY PLAN

At the Meeting, Quarterhill's shareholders will be asked to consider, and if thought advisable, to approve, with or without variation, the Equity Plan Resolution substantially in the form set out in **Exhibit C** to this circular, approving the adoption of the amended Equity Plan (as set out in **Schedule 1** to **Exhibit C**) and the grant of unallocated awards thereunder. To become effective, the Equity Plan Resolution must be approved by a majority of the votes cast at the Meeting. The purpose of the amendments sought by the Equity Plan Resolution are as follows, among other amendments of a housekeeping nature:

- to increase the maximum number of Common Shares (subject to adjustment in accordance with the Equity Plan) that may be issued for all purposes pursuant to the Equity Plan (together with all other "security based compensation arrangements" (as defined by the TSX)) from 9.5% to 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis);
- to increase the maximum number of Common Shares (subject to adjustment in accordance with the Equity Plan) that may be issued to "insiders" (as defined in the Equity Plan) at any time under all of Quarterhill's "security based compensation arrangements" (as defined by the TSX) from 9.5% to 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis);
- to increase the maximum number of Common Shares (subject to adjustment in accordance with the Equity Plan) that may be issued to "insiders" (as defined in the Equity Plan) within any 1-year period under all of Quarterhill's "security based compensation arrangements" (as defined by the TSX) from 9.5% to 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis);
- to remove the restriction that the number of Common Shares (subject to adjustment in accordance with the Equity Plan) reserved for issuance to all "directors" of Quarterhill (as defined in the Equity Plan) pursuant to any awards made under the Equity Plan is not to exceed 1% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis), as well as a corresponding amendment to Section 12.8(c)(v) of the Equity Plan to remove the reference to any amendments to such restriction requiring the approval of Quarterhill's shareholders; and
- to exclude awards granted pursuant to Section 5.3 of the Equity Plan from the limitation on the aggregate value of awards granted to non-employee Directors.

Assuming the approval of the Equity Plan Resolution, the maximum aggregate number of Common Shares (subject to adjustment in accordance with the Equity Plan) that may be subject to issuance at any given time in connection with awards granted under the Equity Plan may not exceed 10% 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; however, would include the ESPP if approved as set out in Item 6 of this Circular.

Pursuant to section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by a majority of the issuer's directors and by the issuer's security holders every three years. As the Equity Plan is considered to be a security based compensation arrangement and does not have a fixed maximum aggregate of securities issuable, approval will be sought at the Meeting to approve the grant of unallocated awards under the Equity Plan. Awards are considered to be "allocated" under a plan when they are granted to a participant, and awards that remain available for grant under a plan are referred to as "unallocated".

Unallocated awards under the Equity Plan were last approved at Quarterhill's annual and special meeting of shareholders held on April 14, 2021 and were approved through April 14, 2024. As a result, Quarterhill has been unable to grant new awards under the Equity Plan since April 14, 2024. If shareholders do not approve the unallocated awards under the Equity Plan at the Meeting, Quarterhill will be unable to grant new awards under the Equity Plan until such time as shareholder approval is obtained; however, all previously-granted awards outstanding as at April 14, 2024 will be unaffected by the approval or disapproval of the Equity Plan Resolution. If approval of the unallocated awards is not obtained at the Meeting, the Compensation Committee and the Board may consider alternate forms of performance-based compensation, including additional cash bonuses or other

means, in order to attract and retain qualified personnel. If approval of the unallocated awards is obtained at the Meeting, pursuant to the requirements of the TSX, Quarterhill will not be required to seek further approval of the grant of unallocated awards under the Equity Plan until May 13, 2027.

A copy of the Equity Plan, as proposed to be amended by the Equity Plan Resolution, is attached hereto as **Schedule 1** to **Exhibit C**.

Effective March 29, 2024, the Board adopted the foregoing amendments to the Equity Plan substantially in the form set out in the Equity Plan Resolution, subject to approval by Quarterhill's shareholders at the Meeting. **The Board unanimously recommends that the shareholders vote "FOR" the Equity Plan Resolution (the full text of which is set out in Exhibit C to this Circular) to approve the amendments to the Equity Plan and the unallocated awards thereunder.** Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the Equity Plan Resolution approving the amendments to the Equity Plan and the unallocated awards thereunder.

ITEM 6 – APPROVAL OF QUARTERHILL'S EMPLOYEE SHARE PURCHASE PLAN

At the Meeting, Quarterhill's shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution in the form set out below (the "**ESPP Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, to approve, ratify and adopt a new employee share purchase plan (the "**ESPP**"). In order to pass, the ESPP Resolution must be approved by a majority of the votes cast at the Meeting by all shareholders, present in person or represented by proxy.

The ESPP will function as a fixed plan and as such, the maximum number of Common Shares issued under the ESPP shall not exceed 1,000,000 Common Shares (issued from treasury or acquired in the open market on the TSX), provided that the number of Common Shares issuable from treasury pursuant to the ESPP, together with all other security-based compensation arrangements of Quarterhill, shall not exceed 10% of the issued and outstanding Common Shares from time to time.

The ESPP was approved by the Board on March 29, 2024. The full text of the ESPP is set out in **Exhibit D** hereto and a summary thereof is included below. The summary, however, is qualified in its entirety by the terms of the ESPP. A summary of the material terms of the ESPP are as follows:

Employee Share Purchase Plan Summary

Purpose

The ESPP gives eligible full-time and part-time employees of Quarterhill and its subsidiaries and affiliates, including executives, a convenient way to become Quarterhill shareholders and build their equity ownership. It is also an effective way for us to attract, retain and motivate employees. The ESPP includes a 423 Component and a Non-423 Component. The 423 Component of the Plan is intended to provide for the grant purchase rights under an "Employee Share Purchase Plan" as that term is defined in Section 423(b) of the U.S. Internal Revenue Code.

Eligibility

All employees of Quarterhill who are scheduled to work at least twenty (20) hours per week are generally eligible to participate in the ESPP. However, no employee may be granted a Purchase Right (as defined below) in the 423 Component of the ESPP if the employee would immediately thereafter own, directly or indirectly, five percent (5%) or more of the combined voting power or value of all classes of shares of Quarterhill or a subsidiary. In addition, with respect to the 423 Component of the ESPP, Quarterhill reserves the right to exclude from participation individuals whose customary employment is not more than five months per calendar year and individuals who have been employed for a period of less than two (2) years, or such other eligibility criteria as Quarterhill may determine consistent with the requirements of Section 423 of the Code.

Purchase Rights and Employee Contributions

The right to purchase Common Shares granted pursuant to the ESPP (the "**Purchase Right**") may only occur during a purchase right period (the "**Purchase Right Period**") determined from time to time by the Compensation Committee of the Board (or such other person as designated by the Board from time to time) (the "**Committee**"). The Compensation Committee may establish additional or alternative concurrent, sequential or

overlapping Purchase Right Periods, a different duration for one or more Purchase Right Periods or different commencing or ending dates for such Purchase Right Periods; provided, however, that no Purchase Right Period may have a duration exceeding twenty-seven (27) months.

Employees can contribute 1% to 10% of their eligible earnings in a Purchase Right Period toward the purchase of Common Shares. The minimum contribution is 1% of an employee's eligible earnings. Quarterhill may also allow eligible employees to provide for separate cash payments outside of payroll to be used toward the purchase of shares under the ESPP.

No eligible employee participating in the 423 Component of the ESPP may be granted purchase rights under the ESPP for Common Shares which accrue at a rate which, when aggregated, exceeds U.S. \$25,000 of fair market value of the Common Shares (determined at the time such rights are granted, and which, with respect to the ESPP, will be determined as of the first date of the applicable Purchase Right Period for each calendar year in which such rights are outstanding at any time.

Each employee's contribution toward the purchase price of Common shares acquired on the open market shall represent not less than the lower of 85% of the fair market value of the Common Shares on the first day of the Purchase Right Period or 85% of the fair market value the last day of the Purchase Right Period, and Quarterhill shall contribute the remaining purchase price. For shares issued from treasury, each employee's contribution toward the purchase price shall represent not less than the lower of: (i) 85% of the fair market value of the Common Shares on the first day of the Purchase Right Period, or (ii) 85% of the fair market value on the last day of the Purchase Right Period. Common Shares to satisfy the requirements of the ESPP are either issued from treasury or acquired in the open market on the TSX by the ESPP administrative agent, at the option of Quarterhill.

In all cases the "fair market value" of the Common Shares for any applicable date shall be the last reported sale price on that day, or, if no such reported sale takes place on that day, the average of the last reported bid and ask prices on that day, in either case on the TSX. If the TSX is closed on such date, the "fair market value" shall be determined as of the last preceding day on which the Common Shares traded or for which bid and ask prices are available.

Participation is optional and is open to eligible employees in Canada and the U.S. as well as employees in other countries where such employees are allowed by law to participate, subject to Quarterhill's approval. ESPP benefits cannot be assigned. Common Shares purchased under the ESPP are not subject to vesting.

Offering Document

The Committee will approve an Offering Document which sets forth the applicable duration of one or more Purchase Right Periods, applicable purchase dates, dollar limits, share limits, and other terms and conditions of participation in Purchase Right Periods, as approved by the Committee in its discretion and consistent with the terms of the ESPP.

Limitations

The maximum number of shares issuable under the ESPP is 1,000,000 Common Shares, provided that the number of Common Shares issuable from treasury pursuant to the ESPP, together with all other security-based compensation arrangements of Quarterhill, shall not exceed 10% of the issued and outstanding Common Shares from time to time. For the avoidance of doubt, up to the maximum number of Common Shares reserved under the ESPP may be used to satisfy purchases of Common Shares under the 423 Component of the ESPP and any remaining portion of such maximum number of shares may be used to satisfy purchases of Common Shares under the Non-423 Component of the ESPP.

If the outstanding Common Shares are increased, decreased, or exchanged for different securities through reorganization, merger, consolidation, recapitalization, reclassification, share split, reverse share dividend, or other similar transaction, a proportionate adjustment shall be made by the Committee to the number, price and kind of shares subject to outstanding Purchase Rights and maximum number and kind of shares that are available for purchase under the Plan.

The Committee may, in its discretion and prior to the beginning of a Purchase Right Period: (i) change the method of determining the number of Common Shares subject to Purchase Rights to be granted with respect to

such Purchase Right Period, or (iii) specify a maximum aggregate number of Common Shares that may be purchased by all Participants during a Purchase Right Period or on any purchase date within a Purchase Right Period.

The maximum number of Common Shares that may be issuable to Insiders under the Plan, together with any other security based compensation plans, may not exceed 10% of the Company's total issued and outstanding shares. The maximum number of Common Shares that may be issued to Insiders under the Plan, together with any other security based compensation plans, within a 12-month period, may not exceed 10% of the Company's total issued and outstanding shares.

Termination or Suspension

A Participant (as defined in the ESPP) may withdraw from the ESPP at any time prior to the last day of the Purchase Right Period by submitting a notice of withdrawal to Quarterhill. Furthermore, a Purchase Right shall terminate automatically if the Participant holding the Purchase Right ceases to be employed by Quarterhill for any reason (including death, disability, or retirement) prior to the last day of the Purchase Right Period. Upon the termination of a Purchase Right, all amounts held in the Participant's account shall be refunded to the Participant, without interest.

The Purchase Right Period in which a Termination Event occurs shall terminate and all Purchase Rights shall be automatically exercised on a date selected by the Committee within ten (10) business days preceding the Termination Event. A **"Termination Event"** is deemed to occur as a result of (i) a transaction in which Quarterhill will cease to be an independent publicly-owned corporation, (ii) a sale or other disposition of all or substantially all of the assets of Quarterhill, or (iii) termination of the ESPP, as approved by the Committee, in its sole discretion.

If an outstanding Purchase Right is terminated for any reason prior to its exercise and the purchase of Common Shares, the Common Shares allocable to the Purchase Right will again become available for purchase pursuant to the ESPP.

Amendment

The Board may at any time and from time to time amend, suspend or terminate the ESPP in whole or in part as approved by resolution of the Board, provided that no such amendment, suspension or termination shall deprive any Participant of any benefits that have accrued on or prior to the date thereof without the consent of the affected Participant. The shareholders of Quarterhill must approve any amendment to the ESPP that relates to:

- (a) the class of individuals eligible or a change in the definition of the corporations whose employees may be designated as eligible to participate in ESPP;
- (b) any amendment to remove or to exceed the Insider participation limits;
- (c) the aggregate number of Common Shares for which Purchase Rights may be granted under the ESPP;
- (d) amending the allowable purchase price discount under the ESPP, if applicable;
- (e) amendment to the employer matching contribution amount; or
- (f) an amendment to the amending provisions.

Resolution

At the Meeting, Quarterhill's shareholders will be asked to consider and, if deemed appropriate, pass an ordinary resolution substantially in the form set forth below:

"WHEREAS the board of directors of Quarterhill Inc. (the **"Corporation"**) has approved an employee share purchase plan (the **"ESPP"**), with adoption subject to approval of such ESPP by the shareholders of the Corporation;

AND WHEREAS the full text of the ESPP is set out in **Exhibit D** to the management information circular of the Corporation dated April 4, 2024;

AND WHEREAS, pursuant to the provisions of the ESPP, the price at which each share covered by a Purchase Right (as defined in the ESPP) shall be exercised shall be established by the Compensation Committee of the Board of Directors of the Corporation but such price shall not be less than the lesser of: (a) eighty-five percent (85%) of the fair market value of a common share of the Corporation on the first day of the applicable Purchase Right Period (as defined in the ESPP); or (b) eighty-five percent (85%) of the fair market value of a common share on the last day of that Purchase Right Period; and such price will in no event be less than the price required under Code Section 423(b)(6);

NOW THEREFORE BE IT RESOLVED as an ordinary resolution that:

1. the ESPP of the Corporation be and is hereby approved;
2. the Corporation is hereby authorized to issue up to 1,000,000 common shares from treasury in accordance with the terms of the ESPP, which common shares will be issued as fully paid and non-assessable common shares in the capital of the Corporation; and
3. any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute and deliver all such documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions."

The Board unanimously recommends that the shareholders vote "FOR" the ordinary resolution (the full text of which is set out above) to approve Quarterhill's Employee Share Purchase Plan. Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the resolution approving Quarterhill's Employee Share Purchase Plan.

STATEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Quarterhill understands that we 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 and Nominating Committee is 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.

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 ("**ITS**") product and service offerings assist governmental authorities at various levels in various jurisdictions to enhance the efficiency of their transportation networks, work towards reducing greenhouse gas emissions from commercial and private vehicles (including optimizing fuel consumption where possible), strive to enhance safety and quality of life of road users (including both motorists and more vulnerable users such as pedestrians and cyclists), attempt to reduce consumers' use of fossil fuels, and 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 to 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, which is the last year in which we did not use the "notice-and-access" system;
- 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 those 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;
- we have 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;
- Quarterhill has 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; and
- 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 conduct business.

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 works in tandem with 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 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 and Nominating 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 including all related requirements.

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, 2023 and the decision-making process relating to that compensation.

Compensation Committee

As of the date hereof, the members of the Compensation Committee are Bill Morris (Chair), Anna Tosto and Rusty Lewis, each of whom is an "independent" director as such term is defined in Section 1.4 of NI 52-110. Each of the Compensation Committee members has experience in executive compensation through executive experience and/or membership on boards of directors of public or private entities 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 assists the Board in overseeing the design and administration of Quarterhill's compensation programs for executive officers, directors, and the broader employee base. The Compensation Committee also provides direction on succession planning and retention of the Chief Executive Officer and other key employees and assists in the establishment of fair and competitive compensation and performance incentive plans. The Compensation Committee recommends annual compensation for the CEO and other executive officers and the directors, which includes establishing targets and measuring performance. 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 has the authority to retain independent advisors to provide advice on our compensation practices.

The Compensation Committee's Charter (the "**Charter**") sets out the responsibilities, powers and operation of the Compensation Committee. Pursuant to the Charter, the Compensation Committee's responsibilities include the review and recommendation of general human resources and compensation principles, policies and plans, and the review and recommendation on executive officer (and to the extent deemed appropriate, the broader employee base) compensation matters. A copy of the current version of the Compensation Committee's Charter is available at our website at www.quarterhill.com.

Compensation Consultant

During the year ended December 31, 2023, the Chair of the Board engaged Hugessen Consulting Inc. ("**Hugessen**"), for the first time, to conduct a director compensation benchmarking review as well as an executive compensation benchmarking review for the Chief Executive Officer and the eight direct reports of the Chief Executive Officer, and to put forward appropriate recommendations with respect to compensation based on industry peers and best practices. The review was conducted during 2023, with recommendations provided to the Board at that time. Fees paid to Hugessen in 2023, as approved by the Board, were \$69,947.

The following table sets forth information concerning the fees paid to compensation consultants for the periods presented:

Financial Year Ending	Executive Compensation-Related Fees ⁽¹⁾	All Other Fees ⁽²⁾
December 31, 2023	\$69,947 ⁽³⁾	\$0 ⁽³⁾
December 31, 2022	\$0 ⁽⁴⁾	\$0 ⁽⁴⁾

(1) "**Executive Compensation-Related Fees**" means the aggregate fees billed for services related to determining compensation for any of the company's directors and executive officers.

(2) "**All Other Fees**" means the aggregate fees billed for all other services that are not included under "Executive

Compensation-Related Fees" and includes general consulting advice.

(3) Fees billed to Quarterhill by Hugessen during the fiscal year ended December 31, 2023.

(4) No compensation consultant or advisor was retained in the financial year ended December 31, 2022.

The following peer group was selected based on Quarterhill's current size, geographic focus, and industry, for purposes of benchmarking Quarterhill's director and executive compensation. The peer group was approved in July 2023 and will continue to be revised by the Compensation Committee as deemed necessary.

Company Name	Industry	Location of Headquarters
Vecima Networks Inc.	Communications Equipment	Canada
Luna Innovations Incorporated	Electronic Equipment and Instruments	United States
LiveVox Holdings, Inc.	Application Software	United States
CalAmp Corp.	Communications Equipment	United States
Presto Automation Inc. ⁽¹⁾	Electronic Equipment and Instruments	United States
Rekor Systems, Inc.	Application Software	United States
Lantronix, Inc.	Communications Equipment	United States
Identiv, Inc.	Electronic Equipment and Instruments	United States
Iteris, Inc.	Electronic Equipment and Instruments	United States
Cepton, Inc.	Electronic Equipment and Instruments	United States
Firan Technology Group Corporation	Electronic Manufacturing Services	Canada
go8 Devices Inc.	Electronic Equipment and Instruments	United States
Ouster, Inc.	Electronic Equipment and Instruments	United States

(1) Only used as a peer for purposes of benchmarking executive compensation.

Managing Compensation-Related Risk

Hedging Prohibition

As part of Quarterhill's insider trading policy, our employees and directors are prohibited from: (1) entering into short sales of our securities, (2) transactions on derivatives relating to our securities (such as put and call options), and (3) any other hedging or equity monetization transactions where the person's economic interest and risk exposure to Quarterhill securities are changed.

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;
- an increasingly significant portion of each executive officer's target compensation under our Equity 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") and the vesting periods, performance targets and hold periods for Options and RSUs 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 a significant portion of the incentive compensation of each executive officer of Quarterhill 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 Equity 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 to both align Quarterhill's executive officers' personal interests with those of all shareholders and encourage them not to risk their equity positions for short-term gains; and
- the terms of our insider trading policy ensure that Options, DSUs, RSUs 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 where excess incentive-based compensation has been granted to executive officers due to: (a) erroneous or inaccurate data contained in materially non-compliant financial statements (as described below); or (b) business activities have been undertaken by executive officers that engaged in gross negligence, intentional misconduct or fraud. Materially non-compliant financial statements include instances where there has been restatement of all or a portion of our financial statements or our financial results are found to be inaccurate in a manner that materially affects an executive officers compensation. See also, "Executive Clawback Policy" below.

Based on Quarterhill's compensation practices and policies, the Compensation Committee and Board have concluded that there do 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, 2023, Quarterhill's "named executive officers" (collectively, the "**Named Executive Officers**" or "**NEOs**") are:

NEOs who are current employees of Quarterhill:

- Chuck Myers, our Chief Executive Officer since September 5, 2023;
- Kyle Chriest, our Chief Financial Officer since March 15, 2024 (Mr. Chriest was interim CFO from May 24, 2023 through March 14, 2024. On March 15, 2024, Mr. Chriest became Chief Financial Officer);
- Kevin Holbert, President & Chief Executive Officer of ETC; and
- James M. Childress, our Chief Technology Officer since January 1, 2023.

NEOs who are former employees of Quarterhill:

- Bret Kidd, our former President & Chief Executive Officer to March 20, 2023;
- John Gillberry, our former Interim Chief Executive Officer from March 20, 2023 to September 5, 2023;
- John Karnes, our former Chief Financial Officer to May 24, 2023; and
- Andrew Parolin, President & Chief Executive Officer of WiLAN, to June 15, 2023 (Andrew Parolin ceased to be an executive officer of Quarterhill on June 15, 2023 as a result of Quarterhill's majority sale of its subsidiary, WiLAN).

The selection of Mr. Myers as Quarterhill's Chief Executive Officer was an important step for Quarterhill as we shift our focus exclusively toward the intelligent transportation systems business. Upon departure of the previous CEO on March 20, 2023, the Board appointed a CEO selection committee and retained a search firm. Mr. Myers joined the Board on May 9, 2023 and, in July, he was invited to participate in the process. Ultimately the committee took three finalists through reference checks and psychometric testing. All finalists had ITS industry

experience. Mr. Myers stood out with his strong turnaround credentials and leadership attributes leading to him becoming the preferred candidate. Contract negotiations were conducted, informed by the compensation benchmarking review, prior to making a final selection.

For all tables below, we have bolded the names of our NEOs that remain current employees of Quarterhill.

Compensation Discussion & Analysis

Compensation Principles and Objectives

With respect to executive compensation (including our NEOs), 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-, 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. Quarterhill's compensation program is designed to reward executive officers for maximizing shareholder value in an ethical manner.

Elements of Compensation

Target Compensation

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 is comprised of short-term (cash) and long-term (PRSUs, RSUs and, for certain individuals, Options) compensation.

During the year ended December 31, 2023, as described above, Hugessen assisted the Compensation Committee in conducting a benchmarking exercise to review the Company's short-term and long-term incentive programs. The proportions of at-risk compensation and equity were below market. As a result, the Board approved increases to bring the performance equity-based long-term incentive program ("**LTIP**") to market, effective in 2024. This change will help to better ensure the pay for performance alignment with our executive officers going forward. Mr. Myers' employment agreement, negotiated following the benchmarking review, reflected the increased LTIP for the three months he was employed in 2023.

From an executive employee compensation perspective, while a greater focus on equity-based compensation in the future will have potentially dilutive effects, the Compensation Committee believes it is an imperative step toward our overall objective of better aligning executive compensation with shareholder interests as we undertake this business transition.

As a result of the historic low levels of equity-based compensation, the equity holdings of the company's most senior executives have not supported retention and shareholder alignment objectives. As such, for the year ended December 31, 2023, the Board approved equity awards for the following key executives who are critical to the company's future performance:

- Mr. Myers was awarded 500,000 RSUs vesting in six equal tranches over three years. He was also granted 250,000 PRSUs for each of the 2024 and 2025 performance years based on achieving each year's operating plan. The award of RSUs as a result of any achievement under the PRSUs will follow the approval of year-end audited financial statements. These RSUs will vest in one year following the award date.
- Mr. Chriest became interim CFO on May 24, 2023 and CFO on March 15, 2024. He was awarded \$135,810 in RSUs (for an aggregate of 73,410 RSUs).
- Mr. Childress was designated as a critical talent for retention purposes, with his technology leadership skills being in high demand. He was awarded \$597,403 in RSUs (for an aggregate of

349,677 RSUs) as a one-time promotion and retention bonus. This compensation reflects the invaluable leadership and expertise demonstrated by our CTO in driving innovation, technological advancement, and strategic vision within the organization. As the market for top-quality engineering talent continues to intensify, attracting and retaining skilled professionals like our CTO is essential to maintaining our competitive edge and fostering sustainable growth. This compensation reflects our commitment to recognizing and rewarding exceptional talent that contributes significantly to the Company's success, driving shareholder value, and advancing our strategic objectives.

In addition to these equity awards, the company granted two cash awards to current executives. These awards were in lieu of permanent adjustments to base salary, given the goal of shifting the mix towards incentive and equity-based compensation. The benchmarking analysis factored significantly into these decisions.

- Mr. Chriest was awarded \$66,130 in one-time cash compensation reflecting his increased responsibilities as interim CFO since May 24, 2023.
- Mr. Childress was promoted to Quarterhill's CTO on January 1, 2023, without an increase in base compensation. In May 2023, the IRD and ETC teams were placed under Mr. Childress' leadership, adding 300 people reporting to him. In recognition of these increased responsibilities, and his contribution to the performance of key contracts, Mr. Childress was awarded a one-time cash bonus of \$203,715.

Going forward, if our executive officers meet or exceed targets, and an executive officer's individual contribution was satisfactory, executive officers will generally receive their full target compensation, as ultimately determined at the discretion of the Board. If not achieved, executive officers will generally receive less than their full target compensation, as ultimately determined at the discretion of the Board. The Compensation Committee considers each element of short-term incentive program ("**STIP**") and LTIP compensation together when recommending appropriate compensation amounts and grants. The Chief Executive Officer recommends target compensation levels for other executive officers while the Compensation Committee recommends target compensation for the Chief Executive Officer. 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.

The following elements of compensation are discussed in further detail below: (1) base salary, (2) short-term incentive, and (3) long-term incentive (PRSUs, RSUs and Options).

Base Salary

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.

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, but instead, Quarterhill management reviews a number of factors to determine each executive officer's "market" value including:

- publicly available salary guides (including from Quarterhill's peer group discussed above);
- 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;
- 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 Board 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.

Short-term Incentive Plan Program

Quarterhill's STIP historically consist of an annual performance-based cash incentive forming part of target compensation, paid based on achieving annual corporate revenue ("**Revenue**") and adjusted earnings before income 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.

For 2023, the STIP and LTIP programs were based on the following metrics: 25% Revenue, 50% AEBITDA and 25% on the Board's discretion. The Board will significantly lower payouts based on its discretion starting in 2024. For details on how Quarterhill calculates AEBITDA, please see Quarterhill's most recent management's discussion and analysis for the three months and year ended December 31, 2023 and 2022 dated March 14, 2024 available on SEDAR+ at www.sedarplus.ca.

Revenue and AEBITDA targets for 2023 were subject to minimum thresholds below which no STIP amounts are payable. Quarterhill's minimum Revenue threshold is 75% and minimum AEBITDA threshold is 75% of the targets. 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 2023 and any related cash incentives are paid thereafter. Disclosure of actual dollar amounts for these targets would seriously prejudice Quarterhill's 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.

For the year ended December 31, 2023, STIP awards for executive officers were recommended by the CEO, and recommended for Board approval by the Compensation Committee, based on the results of annual corporate and individual performance measures. Corporate performance may include financial, safety and operational measures. Such measures are directly linked to the success of Quarterhill and the achievement of its long-term corporate strategy and shareholder value creation.

With Mr. Myers' hiring in September 2023, the Board set a fourth quarter AEBITDA target to base his STIP and LTIP earnings upon, capped at 100% of achievement. The AEBITDA target set for the fourth quarter was exceeded, resulting in a payment of STIP and LTIP to Mr. Meyers at 100%.

The Named Executive Officer's STIP for the year ended December 31, 2023 have been determined as set out in the table below with corresponding amounts paid by March 28, 2024. Amounts are reflected under the heading "Incentive Plan Awards – Value Vested or Earned During the Year" on page 36 below. The table below does not include NEOs who were no longer employed by Quarterhill as of December 31, 2023 and will not be receiving STIP in respect of the year.

Named Executive Officer	Total Short-Term Incentive Target ⁽¹⁾	Actual Short-Term Incentive to be Paid	Percentage of Target to be Paid
Chuck Myers	\$136,393 ⁽²⁾⁽³⁾	\$136,393 ⁽²⁾⁽³⁾	100%
Kyle Chriest	\$52,000	\$13,000	25%
Kevin Holbert	\$231,455 ⁽²⁾	\$0 ⁽²⁾	0%
James M. Childress	\$269,810 ⁽²⁾	\$67,452 ⁽²⁾	25%

(1) Full target for the year ended December 31, 2023.

(2) Converted from US dollars at a rate of US\$1 = \$1.3226 equal to the Bank of Canada US dollar daily average exchange rate on December 31, 2023 – the Canadian dollar equivalent of actual amounts paid may vary depending on the exchange rate in effect on the payment date.

(3) Mr. Myers' STIP was pro-rated to the portion of the 2023 year during which he was employed as CEO, starting September 5, 2023 and was based upon achievement of the fourth quarter AEBITDA targets.

Long-term Incentive Plan Program

For fiscal 2023, the long-term portion of Quarterhill's executive officer compensation is comprised of PRSUs (and underlying RSUs). Previous grants of any long-term incentives are taken into account when considering any new grants.

PRSUs, or Performance Restricted Stock Units, are an obligation on Quarterhill's part to issue to certain employees up to a pre-set maximum number of RSUs in the following period if stipulated performance targets are achieved. For clarity, PRSUs only represent a commitment to grant RSUs if, the stipulated performance targets are achieved.

Based on Hugessen's compensation benchmarking review, it was determined that it was in the best interests of Quarterhill to adjust the mix of fixed and variable at-risk compensation for its executive officers to

provide for a greater relative amount of variable and long-term, at-risk compensation, on the basis that Quarterhill's compensation mix included a below-market proportion of at-risk compensation. Based on this, the Compensation Committee has determined to maintain base salary levels while increasing the amount of long-term incentive compensation in the form of PRSU grants, which remain subject to certain performance hurdles, as discussed below. This change is effective for the 2024 financial year for all executive officers, with the exception of Mr. Myers, whose compensation reflected this as of his start date.

For the year ended December 31, 2023, with respect to Messrs. Myers, Childress, Holbert and Chriest, 25% of their respective LTIP was tied to their Revenue target, 50% to their AEBITDA target and 25% was subject to the Board's discretion.

If annual 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.

As with the STIP targets, these targets are set based on Quarterhill's Revenue and AEBITDA goals for the year, all of which are established to be challenging yet attainable for management given anticipated trends. Disclosure of actual dollar amounts for these targets would seriously prejudice Quarterhill's 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.

These targets are subject to minimum thresholds, below which, no RSUs will be issued. Each target also provides for leverage up to 200% for the CEO and 150% for other NEOs 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 3 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 3-year period over which the RSUs vest and, as such, they fully align our Named Executive Officers' respective interests with our shareholders' interests in increasing Quarterhill's market value generally and our Common Share market price specifically.

The following table sets out our preliminary expectations as to the number of RSUs to be issued to Named Executive Officers in 2024, but earned during the year ended December 31, 2023, based on Quarterhill's PRSU obligations and the attainment of related performance criteria. The table below does not include NEOs who were no longer employed by Quarterhill as of December 31, 2023 and will not be receiving LTIP in respect of the year.

Named Executive Officer	Target RSUs issuable per PRSUs ⁽¹⁾	Actual RSUs to be Issued per PRSUs	Percentage of RSUs to Actually be Issued
Chuck Myers⁽²⁾	126,174	126,174	100%
Kyle Chriest	N/A	N/A	N/A
Kevin Holbert	128,468	0	0%
James M. Childress	99,838	24,959	25%

(1) Full target for the year ended December 31, 2023.

(2) Mr. Myers' LTIP was pro-rated to the portion of the 2023 year during which he was employed as CEO, starting September 5, 2023 and was based upon achievement of the fourth quarter AEBITDA targets.

Options

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.

During the year ended December 31, 2023, the only Option grant was to Mr. Gillberry as part of his agreement to be Interim CEO. The total grant was 250,000 Options at an exercise price of \$1.25. Options do not form a substantial part of executive pay at this time.

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, seek to recoup any after-tax excess incentive-based compensation paid, granted or awarded to, or received or earned by, or vested in favour of, any current or former executive officer, in situations including but not limited to:

- 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;
- where the executive officer engaged in gross negligence, intentional misconduct, theft, embezzlement, fraud or other serious misconduct 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; or
- where 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 3 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, and RSUs 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 and RSUs 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.

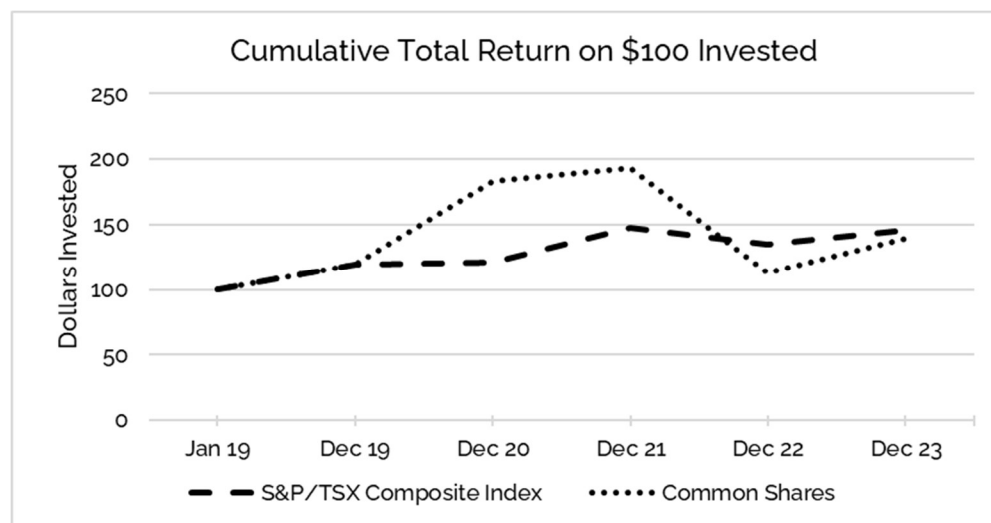
The measurement of the value of each Covered Officer's Common Share, DSU, vested in-the-money Option and RSU holdings is made on December 31 of each year and is based on, for Common Shares, the higher of (a) the price actually paid or deemed to have been paid for Common Shares and (b) the closing price of the

Common Shares on the TSX on that December 31 and, for DSUs, vested in-the-money Options and RSUs, 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.

Messrs. Holbert and Childress are not required to satisfy their respective Minimum Equity Ownership Requirements until 2026, five years following their respective appointments within Quarterhill. Messrs. Myers and Chriest are not required to satisfy their respective Minimum Equity Ownership Requirements until 2028, five years following their respective appointments within Quarterhill.

Performance Graph

The graph below shows Quarterhill's cumulative total shareholder return on our Common Shares for the period from January 1, 2019 to December 31, 2023 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.



During the period covered by this graph, total shareholder return exceeded the S&P / TSX Composite Index other than a decline during late 2022 to end of 2023. An investment of \$100 in Common Shares on January 1, 2019 would have been worth approximately \$139 on December 31, 2023, representing a compound annual growth of approximately 6.85%. In comparison, the S&P/TSX Composite Index reported a compound annual growth of approximately 7.84% over the same period.

The trend in the performance graph does not directly correlate to the trend of the compensation paid to the Named Executive Officers. As described under "*Statement of Executive Compensation – Compensation Discussion and Analysis*", base salaries reflect each executive officer's individual qualifications, experience and performance and are determined based on consideration of "market" rates. Quarterhill has concluded that management must be compensated based on competitive market conditions and the value of the services provided, irrespective of Common Share price movements. PRSUs and RSUs each form a portion of compensation, and therefore total compensation for the Named Executive Officers is affected by increases or decreases in the price of the Common Shares as the value of such PRSUs and RSUs changes as the Corporation's share price changes.

Summary Compensation Table

The table below shows the compensation earned to the Named Executive Officers as employees of Quarterhill and/or its subsidiaries in the financial years ended December 31, 2023, December 31, 2022 and December 31, 2021. The names of the Named Executive Officers who are current employees of Quarterhill are bolded for easy reference.

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 Former President & Chief Executive Officer ⁽³⁾	2023	\$210,259	--	--	--	--	\$684,724 ⁽⁴⁾	\$894,983
	2022	\$674,595	\$22,439 ⁽⁵⁾	\$456,750 ⁽⁶⁾	\$177,413	--	--	\$1,331,197
	2021	\$138,461	--	\$591,803 ⁽⁷⁾	--	--	--	\$730,264
John Gillberry Former Interim Chief Executive Officer ⁽⁸⁾	2023	\$290,769 ⁽⁸⁾	--	\$312,500 ⁽⁹⁾	--	--	\$31,109 ⁽¹⁰⁾	\$603,269
	2022	--	--	--	--	--	--	--
	2021	--	--	--	--	--	--	--
Chuck Myers Chief Executive Officer ⁽¹¹⁾	2023	\$221,027	\$1,091,422 ⁽¹²⁾⁽¹³⁾	--	\$136,393	--	\$7,600 ⁽¹⁴⁾	\$1,456,442
	2022	--	--	--	--	--	--	--
	2021	--	--	--	--	--	--	--
John Karnes Former Chief Financial Officer ⁽¹⁵⁾	2023	\$186,792	--	--	--	--	\$917,408 ⁽¹⁶⁾	\$1,104,200
	2022	\$256,815	\$237,000 ⁽¹⁷⁾	\$1,590,000 ⁽¹⁸⁾	--	--	--	\$2,083,815
	2021	--	--	--	--	--	--	--
Kyle Chriest Chief Financial Officer ⁽¹⁹⁾	2023	\$235,308	\$135,810 ⁽²⁰⁾	--	\$13,000	--	\$66,130 ⁽²¹⁾	\$450,248
	2022	\$19,231	\$20,160 ⁽²²⁾	--	--	--	\$31,477 ⁽²³⁾	\$70,868
	2021	--	--	--	--	--	--	--
Kevin Holbert President & Chief Executive Officer, ETC ⁽²⁴⁾	2023	\$462,910	--	--	--	--	\$99,723 ⁽²⁵⁾	\$562,633
	2022	\$470,892	--	\$108,750 ⁽⁶⁾	--	--	--	\$579,642
	2021	\$310,367	--	\$227,250 ⁽⁷⁾	\$79,437	--	--	\$617,054
Andrew Parolin President & Chief Executive Officer, WiLAN ⁽²⁶⁾	2023	\$217,500	--	--	--	--	\$292,642 ⁽²⁷⁾	\$510,142
	2022	\$397,297	--	\$166,000 ⁽²⁸⁾	\$295,480	--	--	\$858,777
	2021	\$330,155	\$79,983 ⁽²⁹⁾	--	\$112,013	--	--	\$522,151
James M. Childress Chief Technology Officer ⁽³⁰⁾	2023	\$449,684	\$597,403 ⁽³¹⁾⁽³²⁾	--	\$67,452	--	\$272,587 ⁽³³⁾	\$1,387,126
	2022	\$459,975	--	--	\$63,250	--	--	\$523,225
	2021	\$325,056	--	\$227,250 ⁽⁷⁾	--	--	--	\$552,306

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

(2) The value of all other perquisites and benefits for each Named Executive Officer which was less than the lesser of \$50,000 and 10% of such Named Executive Officer's salary has not been disclosed. Except as noted, these amounts generally represent contributions to Named Executive Officers' respective registered retirement savings plans, and similar payments made by Quarterhill on behalf of such Named Executive Officers.

(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. Mr. Kidd ceased to be an employee of Quarterhill on March 10, 2023. 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 - \$1.3226, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2023, US\$1 - \$1.3544, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2022 and US\$1 - \$1.2687, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2021.

(4) Represents amounts paid to Mr. Kidd in 2023 as triggered by his ceasing to be a Quarterhill employee on March 20, 2023.

(5) Represents the value of 14,202 RSUs granted to Mr. Kidd on May 13, 2022 which vested as to 2,367 RSUs on each of May 13, 2022 and August 12, 2022 (prior to a reduction in the number of such Common Shares issued by Quarterhill upon such vesting to address and pay for the withholding and payment of applicable income tax) and were to vest as to 2,367 RSUs in each of May 2023, August 2023, March 2024 and August 2024, which unvested RSUs were forfeited on Mr. Kidd's departure. On the date of grant, these RSUs had a value of \$2.23 each, equal to the TSX closing price of the Common Shares on May 13, 2022.

(6) Quarterhill granted Options to Messrs. Kidd and Holbert on May 13, 2022. 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 the option at \$0.87.

(7) Quarterhill granted Options to Messrs. Kidd, Holbert and Childress on September 1, 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 the option at \$1.01.

(8) Mr. Gillberry was employed as Quarterhill Interim Chief Executive Officer from March 20, 2023 to September 5, 2023. He received salary of \$290,769 and 250,000 options as compensation as Quarterhill Interim Chief Executive Officer, all of which were vested as of December 31, 2023. Mr. Gillberry was director and Board Chair and did not stand for re-election to the Board at Quarterhill's May 8, 2023 annual general and special meeting of shareholders and, consequently, he ceased to be a member of the Board on that date.

(9) Quarterhill granted Options to Mr. Gillberry on June 17, 2023. 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 the option at \$0.41.

- (10) Mr. Gillberry was paid \$31,109 for the pro-rated base director fees and Chair of the Board fees for the period January 1, 2023 to May 8, 2023.
- (11) Mr. Myers was appointed to the Board on May 9, 2023 and subsequently employed as Quarterhill's Chief Executive Officer from September 5, 2023. Mr. Myers' 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 - \$1.3226, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2023.
- (12) Includes 98,400 DSUs valued at \$123,000, granted to Mr. Myers on June 16, 2023 as director compensation. Also includes 500,000 RSUs valued at \$735,000 granted to Mr. Myers when he became Quarterhill CEO on September 6, 2023, vesting in six equal installments, every six months over a period of three years. On the date of the RSU grant, these RSUs had a value of \$1.47 each, equal to the TSX closing price of the Common Shares on September 5, 2023. The actual value received on the vesting of RSUs, if any, will differ from their grant date valuations.
- (13) Includes 126,174 RSUs valued at \$233,422, granted to Mr. Myers on March 20, 2024, vesting in six equal installments, every six months over a period of three years. On the date of grant, these RSUs had a value of \$1.85 each, equal to the TSX closing price of the Common Shares on March 19, 2024. The actual value received on the vesting of RSUs, if any, will differ from their grant date valuations.
- (14) Mr. Myers was paid \$7,600 in director fees for the period May 9, 2023 to August 9, 2023 for in-person attendance of Board meetings.
- (15) Mr. Karnes was employed as Quarterhill's Chief Financial Officer effective June 6, 2022 to May 24, 2023. Amounts disclosed for Mr. Karnes 2022 compensation represent 208 days of compensation. Except with respect to "share-based awards" and "option-based awards", Mr. Karnes' 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 - \$1.3226, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2023 and US\$1 - \$1.3544, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2022.
- (16) Represents amounts paid to Mr. Karnes in 2023 as triggered by his ceasing to be a Quarterhill employee on May 24, 2023.
- (17) Represents the value of 150,000 RSUs granted to Mr. Karnes on June 6, 2022 which vested as to 25,000 RSUs on August 12, 2022 (prior to a reduction in the number of such Common Shares issued by Quarterhill upon such vesting at Mr. Karnes' request to address and pay for the withholding and payment of applicable income tax) and were to vest as to 25,000 RSUs in each of May 2023, August 2023, March 2024, August 2024 and March 2025, which unvested RSUs were forfeited on Mr. Karnes' departure. On the date of grant, these RSUs had a value of \$2.12 each, equal to the TSX closing price of the Common Shares on June 6, 2022.
- (18) Quarterhill granted Options to Mr. Karnes on June 6, 2022. 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 \$2.12.
- (19) Mr. Chriest joined Quarterhill on November 21, 2022 as Vice President Corporate Finance and was appointed as Quarterhill Interim Chief Financial Officer effective May 24, 2023. Mr. Chriest became Chief Financial Officer effective March 15, 2024. Amounts disclosed for Mr. Chriest's 2023 compensation represent 143 days of compensation as Quarterhill's Vice President Finance and 222 days of compensation as Quarterhill's Interim Chief Financial Officer. Amounts disclosed for Mr. Chriest's 2022 compensation represents 41 days of compensation.
- (20) Represents the value of 73,410 RSUs granted to Mr. Chriest on March 20, 2024 vesting in six equal installments, every six months over a period of three years. On the date of grant, these RSUs had a value of \$1.85 each, equal to the TSX closing price of the Common Shares on March 19, 2024. The actual value received on the vesting of RSUs, if any, will differ from their grant date valuations.
- (21) Mr. Chriest received a one-time cash compensation award of \$66,130.
- (22) Represents the value of 16,000 RSUs granted to Mr. Chriest on June 17, 2023 which vested as to 2,667 RSUs on each of June 13, 2023, July 1, 2023 and January 1, 2024 and will vest as to 2,667 RSUs on July 2024 and 2,666 in each of January 2025 and July 2025. On the date of grant, these RSUs had a value of \$1.26 each, equal to the TSX closing price of the Common Shares on June 16, 2022. The actual value received on the vesting of RSUs, if any, will differ from their grant date valuations.
- (23) Represents amount paid for signing bonus and other compensation to Mr. Chriest.
- (24) Mr. Holbert was appointed as ETC's President & Chief Executive Officer effective December 15, 2021, prior to which he was ETC's Chief Commercial Officer when Quarterhill acquired ETC on September 1, 2021. Amounts disclosed for Mr. Holbert's 2021 compensation represent 122 days of compensation. Except with respect to "share-based awards" and "option-based awards", Mr. Holbert'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 - \$1.3226, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2023, US\$1 - \$1.3544, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2022 and US\$1 - \$1.2687, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2021.
- (25) Mr. Holbert received commissions based on a commission plan, established prior to 2023, related to his previous role as ETC Chief Commercial Officer.
- (26) Mr. Parolin was appointed as WiLAN's President & Chief Executive Officer on May 11, 2022, prior to which he was a Senior Vice-President & Business Unit Leader at WiLAN. He ceased to be a Quarterhill executive officer on June 15, 2023, as a result of the majority sale of WiLAN.
- (27) Other compensation for Mr. Parolin includes a retention bonus of \$274,367 related to the strategic review and sale of WiLAN.
- (28) Quarterhill granted Options to Mr. Parolin on June 1, 2022. 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 \$0.83.
- (29) Represents the value of 50,622 RSUs granted to Mr. Parolin on March 15, 2021 which vested as to 8,437 RSUs on each of March 15, 2021, August 9, 2021, May 13, 2022 and August 12, 2022 (prior to a reduction in the number of such Common Shares issued by Quarterhill upon such vesting to address and pay for the withholding and payment of applicable income tax) and were to vest as to 8,437 RSUs in May 2023 and August 2023, which unvested RSUs were accelerated to vest as of Mr. Parolin's departure. On the date of grant, these RSUs had a value of \$2.50 each, equal to the TSX closing price of the Common Shares on March 15, 2021.
- (30) Mr. Childress was appointed as Quarterhill's Chief Technology Officer effective January 1, 2023, prior to which he was ETC's Chief Technology Officer when Quarterhill acquired ETC on September 1, 2021. Amounts disclosed for Mr. Childress' 2021 compensation represent 122 days of compensation. Except with respect to "share-based awards" and "option-based awards", Mr. Childress' 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 - \$1.3226, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2023, US\$1 - \$1.3544, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2022 and US\$1 - \$1.2687, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2021.

- (31) Includes 150,000 RSUs, valued at \$228,000, granted to Mr. Childress on November 9, 2023 vesting in six equal installments, every six months over a period of three years. On the date of grant, these RSUs had a value of \$1.52 each, equal to the TSX closing price of the Common Shares on November 8, 2023. The actual value received on the vesting of RSUs, if any, will differ from their grant date valuations.
- (32) Includes 199,677 of RSUs, valued at \$369,403 granted to Mr. Childress on March 20, 2024 vesting in six equal installments, every six months over a period of three years. On the date of grant, these RSUs had a value of \$1.85 each, equal to the TSX closing price of the Common Shares on March 19, 2024. The actual value received on the vesting of RSUs, if any, will differ from their grant date valuations.
- (33) Mr. Childress was paid a \$74,197 retention bonus in January 2023 and, for the year ended December 31, 2023, earned a \$198,390 performance bonus to be paid in 2024, the amounts of which have been converted to Canadian dollars for this summary compensation table at a rate of US\$1 - \$1.3226, equal to the Bank of Canada US dollar daily exchange rate on December 31, 2023.

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 and RSUs that had been granted and were outstanding to any of the Named Executive Officers as at December 31, 2023.

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	0	N/A	N/A	N/A	--	--
John Gillberry ⁽⁴⁾	250,000	\$1.25	June 17, 2029	\$175,000	--	--
	46,728	\$2.14	May 13, 2028	\$0	--	--
	41,841	\$2.39	May 10, 2027	\$0	--	--
	50,251	\$1.99	May 25, 2026	\$0	--	--
	56,818	\$1.76	August 12, 2025	\$10,795	--	--
	59,523	\$2.02	May 31, 2024	\$0	--	--
Chuck Myers	--	N/A	N/A	N/A	416,666	\$812,499
John Karnes	--	N/A	N/A	N/A	--	--
Kyle Chriest	--	N/A	N/A	N/A	10,666	\$20,799
Kevin Holbert	125,000	\$2.14	May 13, 2028	\$0	--	--
	225,000	\$2.70	September 1, 2027	\$0	--	--
Andrew Parolin	200,000	\$2.08	June 1, 2028	\$0	--	--
	46,666	\$1.81	March 2, 2026	\$6,533	--	--
James M. Childress	225,000	\$2.70	September 1, 2027	\$0	128,971	\$251,493

- (1) Represents the difference between the market value of the Common Shares on December 31, 2023, based on the TSX closing price of the Common Shares of \$1.95 on December 29, 2023, the last trading day of 2023, and the exercise price of the relevant Options.
- (2) Represents unvested RSUs held at December 31, 2023.
- (3) Represents the market value of Common Shares that may be issued upon the vesting of RSUs outstanding on December 31, 2023 all based on the TSX closing price of the Common Shares of \$1.95 on December 29, 2023, the last trading day of 2023. Actual values of Common Share issued on the vesting of RSUs will differ from the values indicated.
- (4) Mr. Gillberry was employed as Quarterhill Interim Chief Executive Officer from March 20, 2023 to September 5, 2023. Mr. Gillberry was director and Board Chair and did not stand for re-election to the Board at Quarterhill's May 8, 2023 annual general and special meeting of shareholders and, consequently, he ceased to be a member of the Board on that date. His Options remain outstanding until the expiry date.

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, 2023.

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 (\$)
Bret Kidd	--	--	N/A
John Gillberry	\$27,500	--	--
Chuck Myers	--	\$122,501	\$136,393
John Karnes	--	--	--
Kyle Chriest	--	\$7,254	\$13,000
Kevin Holbert	\$0	--	\$0
Andrew Parolin	\$2,800	\$21,093	N/A
James M. Childress	\$0	\$40,701	\$67,452

(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.

Termination and Change of Control Benefits

Quarterhill (and/or its subsidiary) has entered into employment agreements with each of the Named Executive Officers that provide for annual base salary, vacation entitlement and benefits, as well as entitlements on termination and/or change of control. This section summarizes entitlement of the NEOs pursuant to such agreements at, following or in connection with termination, resignation, retirement, a change of control of Quarterhill or a change in an NEO's responsibilities.

NEO	Termination Event	Payment
Chuck Myers, Chief Executive Officer	Termination for "cause" or by Mr. Myers without "good reason"	(i) base salary up to the termination date, and (ii) pro-rata portion of STIP (for termination for "cause" only), benefits and an amount in lieu of vacation accrued but unused vacation up to and as of the termination date.
	Termination without "cause" or by Mr. Myers for "good reason"	(i) payment of all of the entitlements he would receive if his employment was terminated for "cause" plus, (ii) subject to his provision of a "Release": (A) 12 months of his then current base salary, (C) immediate vesting of all unvested Options held by Mr. Myers as of the termination (such Options to remain exercisable for their normal exercise period), and (D) any RSUs held by Mr. Myers on the date of such termination shall immediately vest in accordance with the terms of the Equity Plan.
	Termination by his death or due to "substantial disability"	(i) payment of all of the entitlements he would otherwise receive if his employment was terminated for "cause" plus, (ii) all options that would ordinarily vest over the 12 months following the termination date shall immediately vest in full and remain exercisable for their normal exercise period, and (iii) any RSUs held on the termination date that would ordinarily vest over the 12 months following such date shall immediately vest in accordance with Equity Plan.
	Termination for "convenience" within 12 months from the effective date of a "change in control"	(i) severance equal to 24 months of base salary (contingent on execution of a release), (ii) conversion of current year's PRSUs remaining under the "Initial Grant" of PRSUs awarded upon his employment, into RSUs based on the latest quarterly full-year financial forecast, (iii) conversion of any remaining future years' PRSUs remaining under the "Initial Grant" of PRSUs awarded upon his employment, into RSUs based on averaging the payouts from the current and preceding years, and (iii) accelerated vesting of all RSUs held by Mr. Meyers on the date of such termination.
Kyle Chriest, Chief Financial Officer	Termination without "cause"	Four weeks' pay-in-lieu of notice plus an additional 2 weeks for each completed year worked following the first anniversary, up to a maximum of 52 weeks.
Kevin Holbert, President & Chief Executive Officer of ETC	Termination for "cause" or by Mr. Holbert without "good reason"	(i) base salary up to the termination date, (ii) payment of any accrued but unused vacation as of the termination date, and (iii) reimbursement of any unreimbursed expenses incurred prior to termination.
	Termination without "cause" or by Mr. Holbert for "good"	(i) payment of all of the entitlements he would receive if his employment was terminated for "cause" or by Mr. Holbert without "good reason" plus, (ii) subject to his provision of a "Release": (A) a portion of that year's target cash

NEO	Termination Event	Payment
	reason"	incentive pro-rated for the portion of the year up to the termination date, (B) 12 months of his then current base salary, and (C) immediate vesting of all unvested Options held by Mr. Holbert as of the termination (such Options to remain exercisable for their normal exercise period).
	Termination by his death or due to "disability"	(i) payment of all of the entitlements he would otherwise receive if his employment was terminated for "cause" or by Mr. Holbert without "good reason" plus, (ii) subject to his provision of a Release in case of his "disability", 6 months of his then current base salary to be paid bi-weekly over 6 months following termination.
James M. Childress , Chief Technology Officer	Termination without "cause" or by Mr. Childress for "good reason"	(i) an amount equal to 12 months base salary, plus (ii) 12 months COBRA premium payments plus a cash payment equal to any taxes relating thereto.

All other awards under the Equity Plan held at any termination will be treated as required under the terms of the Equity Plan and any award agreements. Pursuant to the Equity Plan (but subject to the full terms and conditions of the Equity Plan), upon termination: (1) in the event of retirement, death or frustration, (A) unvested Options shall expire and be cancelled, and vested Options may be exercised until the earlier of: (i) 12 months after the termination date, and (ii) the date on which the original exercise period expires; and (B) a pro-rated portion of the next instalment of any RSUs due to vest shall immediately vest; (2) in the event of resignation, (A) unvested Options shall expire and be cancelled, and vested Options shall be exercisable until the earlier of: (i) 90 days after termination, and (ii) the date on which the original exercise period expires; and (B) any other awards not yet exercisable or vested shall expire and be cancelled; (3) in the event of termination for any reason, other than as described above or for cause, (A) unvested Options shall expire and be cancelled, and vested Options shall be exercisable until the earlier of: (i) 90 days after termination, and (ii) the date on which the original exercise period expires; (B) a pro-rated portion of the next instalment of any RSUs due to vest shall immediately vest; and (C) any other awards not yet exercisable or vested shall expire and be cancelled; and (4) in the event of termination for cause, any Options and awards under the Equity Plan shall immediately expire and be cancelled upon termination.

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) 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 (for Messrs. Chriest, Holbert and Childress) and one year following such termination (for Mr. Meyers); (c) 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; and (d) to be available following such termination to assist with the orderly transition of their roles, duties and responsibilities with us to their successor(s).

Payments on Termination

The following provides details regarding the estimated incremental payments from Quarterhill to each Named Executive Officer assuming termination on December 31, 2023.

Name	Event	Salary Based Entitlements	Other Cash Based Entitlements	Other Incentive Plan Based Entitlements
Chuck Myers⁽¹⁾	Termination without "cause"	\$727,430	\$181,860	\$812,499 ⁽²⁾
Kyle Chriest	Termination without "cause"	\$20,000	\$0	\$0
Kevin Holbert⁽¹⁾	Termination without "cause"	\$462,910	\$0	\$0
James M. Childress⁽¹⁾	Termination without "cause"	\$460,496	\$103,069	\$0

(1) Amounts for Messrs. Myers, Holbert and Childress are converted from US dollars to Canadian dollars at a rate of US\$1 = \$1.3226 equal to the Bank of Canada US dollar daily exchange rate on December 29, 2023.

(2) Represents vesting of 416,666 RSUs which were outstanding at December 31, 2023.

Former Executive Officers

Mr. Kidd ceased to be the President and Chief Executive Officer March 2023. Mr. Kidd received severance payments in the amount of \$661,300 (converted from US dollars to Canadian dollars at the same rate as indicated in footnote 1 above) and other cash entitlements of \$23,424 (converted from US dollars to Canadian dollars). He received other incentive plan entitlements of \$55,107. In addition, he received accelerated vesting of previously granted RSUs that would have vested in the first half of 2023, and the opportunity to exercise vesting Options through June 18, 2023.

Mr. Gillberry ceased to be the Interim Chief Executive Officer on September 5, 2023. He did not receive any payments as a result of ceasing to be an employee of Quarterhill.

Mr. Karnes ceased to be the Chief Financial Officer on May 24, 2023. Mr. Karnes received severance payments in the amount of \$674,526 (converted from US dollars to Canadian dollars at the same rate as indicated in footnote 1 above) and other cash entitlements of \$110,622 (converted from US dollars to Canadian dollars). He received other incentive plan entitlements of \$132,260. In addition, he received accelerated vesting of all previously granted RSUs.

Mr. Parolin ceased to be an employee of Quarterhill on June 15, 2023 as a result of the majority sale of WiLAN. He did not receive any payments as a result of ceasing to be an employee of Quarterhill.

Director Compensation

The following table provides information regarding compensation paid to non-executive members of the Board during our financial year ended December 31, 2023. For compensation paid to Messrs. Gillberry and Myers, including in respect of their services as directors, see "Summary Compensation Table above".

Name	Fees Earned (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Roxanne Anderson	\$31,700	\$138,000	--	--	--	\$169,700
Michel Fattouche ⁽³⁾	\$26,950	\$123,000	--	--	--	\$149,950
Rusty Lewis	\$28,200	\$188,000	--	--	--	\$216,200
Bill Morris ⁽⁴⁾	\$0	\$88,581	--	--	--	\$88,581
James Skippen ⁽⁵⁾	\$56,480	--	--	--	--	\$56,480
Kim Stevenson ⁽⁶⁾	\$30,443	\$66,722	--	--	\$33,300 ⁽⁷⁾	\$130,465
Pamela Steer	\$17,000	\$118,000	--	--	--	\$135,000
Anna Tosto	\$19,253	\$137,000	--	--	--	\$156,253

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

(2) The valuation of 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.

(3) Mr. Fattouche retired and ceased to be a member of the Board on August 8, 2023.

(4) Mr. Morris was appointed to the Board on August 8, 2023.

(5) Mr. Skippen, who was director and Vice Chair of the Board, did not stand for re-election to the Board at Quarterhill's May 8, 2023 annual general and special meeting of shareholders and, consequently, he ceased to be a Board member on that date.

(6) Ms. Stevenson, who was appointed to the Board on May 12, 2022, did not stand for re-election to the Board at Quarterhill's May 8, 2023 annual general and special meeting of shareholders and, consequently, she ceased to be a Board member on that date.

(7) Ms. Stevenson provided consulting services from June 2023 to October 2023 in connection with Quarterhill's executive search and recruitment of a new chief executive officer.

During the year ended December 31, 2023, Hugessen was engaged by Quarterhill to assess the competitiveness of Quarterhill's director compensation. Based on Hugessen's review of Quarterhill's director compensation against that of the peer group identified.

Currently, and during our financial year ending December 31, 2023, each non-executive member of the Board is paid an annual base fee of \$63,000 and the Chair of the Board is paid an additional annual fee of \$56,000. Previously, when the Board had a Vice-Chair, the position was paid an additional annual fee of \$35,000. Quarterhill no longer has a Vice-Chair of the Board. The chairs of each of the Audit Committee, Compensation Committee and, ESG and Nominating Committee are each paid additional annual fees of \$25,000, \$19,000, and \$19,000 respectively. The ESG Committee and Nominating Committee were combined by resolution of the Board effective May 9, 2023 (and prior thereto, the chairs of each committee received \$10,000). Each member of each Board

committee, other than their respective chairs, are each paid additional annual fees of \$5,000. In addition, non-executive Board members are annually granted DSUs having value of \$50,000, pro-rated for directors appointed subsequent to the annual general meeting.

Directors may elect to receive any fees in the form of DSUs in lieu of cash. For the year ended December 31, 2023, an aggregate of \$982,303 (representing 100%) of the directors' fees payable were paid through the issuance of DSUs.

Prior to December 12, 2023, members of the Board who attended meetings in person, away from their place of residence, were 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 were 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 3 times the director's annual base fee (i.e. 3 times \$63,000 per director in 2023 = \$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 of joining the Board. The non-executive members of the Board who remained as Board members as of December 31, 2023 held the following Common Shares with the following values:

Name of Board Member	Common Shares Held on December 31, 2023	Aggregate Value of Common Shares (December 31, 2023 Market Price ⁽¹⁾ / Price Actually Paid ⁽²⁾)
Roxanne Anderson	98,981	\$192,837 / \$148,264
Rusty Lewis	1,459,917	\$2,846,838 / \$2,609,645
Bill Morris	71,900	\$140,205 / \$116,301
Pamela Steer	52,000	\$101,400 / \$87,950
Anna Tosto	24,000	\$46,800 / \$45,391

(1) Represents the value of Common Shares held on December 31, 2023 based on the TSX closing price of the Common Shares of \$1.95 on December 29, 2023, the last trading day of 2023.

(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.

Directors' Outstanding Share-Based Awards and Option Based Awards

The following table sets out the Options and DSUs that had been granted and were outstanding to any of the members of the Board as at December 31, 2023. During the year ended December 31, 2023 there were no new options granted to Directors.

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 (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$) ⁽²⁾
Roxanne Anderson	46,728	\$2.14	May 13, 2028	\$0	110,400	\$215,280
	41,841	\$2.39	May 10, 2027	\$0	--	--
	50,251	\$1.99	May 25, 2026	\$0	--	--
	56,818	\$1.76	August 12, 2025	\$10,795	--	--
	59,523	\$2.02	May 31, 2024	\$0	--	--
Michel Fattouche ⁽³⁾	46,728	\$2.14	May 13, 2028	\$0	--	--
	41,841	\$2.39	May 10, 2027	\$0	--	--
	50,251	\$1.99	May 25, 2026	\$0	--	--
Kim Stevenson ⁽⁴⁾	46,728	\$2.14	May 13, 2028	\$0	45,389	\$88,509
Rusty Lewis	46,728	\$2.14	May 13, 2028	\$0	150,400	\$293,280
Bill Morris ⁽⁵⁾	--	--	N/A	--	60,259	\$117,505

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 (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$) ⁽²⁾
James Skippen ⁽⁶⁾	46,728	\$2.14	May 13, 2028	\$0	--	--
	41,841	\$2.39	May 10, 2027	\$0	--	--
	50,251	\$1.99	May 25, 2026	\$0	--	--
	56,818	\$1.76	August 12, 2025	\$10,795	--	--
	39,473	\$2.28	September 12, 2024	\$0	--	--
Pamela Steer	46,728	\$2.14	May 13, 2028	\$0	94,400	\$184,080
Anna Tosto	46,728	\$2.14	May 13, 2028	\$0	109,600	\$213,720
	41,841	\$2.39	May 10, 2027	\$0	--	--

(1) Represents the difference between the TSX closing price of the Common Shares of \$1.95 on December 29, 2023, the last trading day of 2023, and the exercise price of the relevant Options.

(2) The value of share-based awards was calculated based on the TSX closing price of the Common Shares of \$1.95 on December 29, 2023, the last trading day of 2023.

(3) Mr. Fattouche retired and ceased to be a member of the Board on August 8, 2023.

(4) Ms. Stevenson, who was appointed to the Board on May 12, 2022, did not stand for re-election to the Board at Quarterhill's May 8, 2023 annual general and special meeting of shareholders and, consequently, she ceased to be a Board member on that date.

(5) Mr. Morris was appointed to the Board on August 8, 2023.

(6) Mr. Skippen did not stand for re-election to the Board at Quarterhill's May 8, 2023 annual general and special meeting of shareholders and ceased to be a member of the Board on that date.

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, 2023.

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	\$0	--	--
Michel Fattouche ⁽³⁾	\$0	--	--
Kim Stevenson ⁽⁴⁾	\$0	--	--
Rusty Lewis	\$0	--	--
Bill Morris ⁽⁵⁾	--	--	--
James Skippen ⁽⁶⁾	\$0	--	--
Pamela Steer	\$0	--	--
Kim Stevenson	\$0	--	--
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) Mr. Fattouche retired and ceased to be a member of the Board on August 8, 2023.

(4) Ms. Stevenson, who was appointed to the Board on May 12, 2022, did not stand for re-election to the Board at Quarterhill's May 8, 2023 annual general and special meeting of shareholders and, consequently, she ceased to be a Board member on that date.

(5) Mr. Morris was appointed to the Board on August 8, 2023.

(6) Mr. Skippen did not stand for re-election to the Board at Quarterhill's May 8, 2023 annual general and special meeting of shareholders and ceased to be a member of the Board on that date.

Security Based Compensation Arrangements

At the Meeting, the shareholders are being asked to approve certain amendments to the Equity Plan, as described below. A copy of the Equity Plan, including the 2024 Amendments (as defined below), is included as **Schedule 1** to **Exhibit C** to this circular. For shareholder reference, a copy of the US addendum was included as an Exhibit to Quarterhill's management proxy circular for its April 21, 2022 shareholders' meeting, which is available on SEDAR+ at www.sedarplus.ca.

On March 29, 2024, the Board approved amendments to the Equity Plan, subject to approval and ratification by Quarterhill's shareholders at the Meeting, to, among other housekeeping matters: (1) increase the maximum number of Common Shares that may be issued for all purposes pursuant to the Equity Plan and all other "security based compensation arrangements" (as defined by the TSX) from 9.5% to 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis); (2) increase the maximum number of Common Shares that may be issued to Insiders (as defined below) at any time under all of Quarterhill's "security based compensation arrangements" (as defined by the TSX) from 9.5% to 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis); (3) increase the maximum number of Common Shares that may be issued to Insiders (as defined below) within any 1-year period under all of Quarterhill's "security based compensation arrangements" (as defined by the TSX) from 9.5% to 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis); (4) to remove the restriction that the number of Common Shares reserved for issuance to all Directors (as defined in the Equity Plan) pursuant to any awards made under the Equity Plan is not to exceed 1% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis), as well as a corresponding amendment to Section 12.8(c)(v) of the Equity Plan to remove the reference to any amendments to such restriction requiring the approval of Quarterhill's shareholders; and (5) to exclude awards granted pursuant to Section 5.3 of the Equity Plan from the limitation on the aggregate value of awards granted to non-employee Directors (collectively, the "**2024 Amendments**").

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 and assuming adoption of the Equity Plan Resolution as set out in this Circular, 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 10% 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, however, which would include the ESPP if approved and adopted by shareholders at the Meeting.

At December 31, 2023, 115,076,583 Common Shares were issued and outstanding, 9.5% of which would be 10,932,275 Common Shares and 10% of which would be 11,507,658. At December 31, 2023, Options to purchase up to 5,628,129 Common Shares, RSUs convertible into up to 873,628 Common Shares and DSUs convertible into up to 668,848 Common Shares were outstanding under the Equity Plan and no other awards were outstanding under the Equity Plan. As such, at December 31, 2023, there were 3,761,670 Common Shares available for grant in respect of future awards under the Equity Plan (assuming a maximum of 9.5%). 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"**).

In each case, and assuming approval and adoption of the 2024 Amendments contemplated by the Equity Plan Resolution: (1) 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 10% of the then issued and outstanding Common Shares, (2) the maximum number of Common Shares issued to Insiders under all "security based compensation arrangements" within any one-year period may not exceed 10% of the then issued and outstanding Common Shares, and (3) 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, excluding where fees are received in the form of DSUs. Also under the Equity Plan, 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 **"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 Board 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 or otherwise compensate directors. 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. Upon exercise, 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.

"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 provide us with flexibility in structuring appropriate compensation plans while staying within the Board and shareholder approved provisions of the Equity Plan. For greater certainty, any Common Shares to be issued pursuant to the ESPP, if approved and adopted, will not be governed by the Equity Plan and will not be considered Other Share-Based Awards.

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 the estate of an Eligible Participant in the event of death 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 Quarterhill shareholder approval under the Equity Plan or the rules of the TSX.

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.

Except as contemplated by Section 11.4(b)(ii) of 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 for the years ended December 31, 2023, 2022 and 2021 is set out below as calculated in accordance with TSX requirements.

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Burn Rate ⁽¹⁾	1.76%	2.06%	2.53%

- (1) The burn rate is equal to the number of awards granted under the Equity Plan 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, 2023, we granted Options to purchase up to 250,000 Common Shares, RSUs that could convert into up to 1,000,715 Common Shares, DSUs that could convert into up to 767,248 Common Shares and, had a weighted average of 114,776,086 Common Shares outstanding. For the financial year ended December 31, 2022, we granted Options to purchase up to 1,963,824 Common Shares and RSUs that could convert into up to 390,264 Common Shares and, had a weighted average of 114,389,608 Common Shares outstanding. 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.

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, 2023.

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	7,170,605 ⁽¹⁾	\$2.09	3,761,670 ⁽²⁾
Equity compensation plans not approved by security holders	0	N/A	0
Total	7,170,605⁽³⁾	\$2.09	3,761,670⁽⁴⁾

- (1) Represents Common Shares issuable pursuant to the exercise of 5,628,129 Options and vesting of 873,628 RSUs and 668,848 DSUs issued and outstanding under the Equity Plan at December 31, 2023. The outstanding Options have a weighted average remaining term of 2.82 years.
- (2) Quarterhill's only current 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 10,932,275 Common Shares at December 31, 2023 (i.e., 9.5% of 115,076,583 issued and outstanding Common Shares at that date).
- (3) Represents approximately 6.23% of the 115,076,583 issued and outstanding Common Shares at December 31, 2023.
- (4) Represents approximately 3.27% of the 115,076,583 issued and outstanding Common Shares at December 31, 2023.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Management is not aware of any indebtedness outstanding (or that has at any time since January 1, 2023 been 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 or understanding 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, direct or indirect, of any informed person of Quarterhill, any proposed director of Quarterhill or any associate or affiliate of any informed person or proposed director, in any transactions of Quarterhill since the commencement of Quarterhill's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Quarterhill or any of our subsidiaries.

MANAGEMENT CONTRACTS

During the financial year ended December 31, 2023, no management functions of Quarterhill or any of its subsidiaries were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of Quarterhill or the relevant subsidiary.

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 \$60,000,000. To the extent Quarterhill is required to indemnify the directors or officers pursuant to its by-laws, the insurance policy provides that Quarterhill must pay a deductible amount of \$250,000 for each loss claimed. The aggregate annual premium for this insurance policy in the financial year ended December 31, 2023 was \$604,800 (plus applicable taxes) paid by Quarterhill.

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 NI 52-110, 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 A** to this Circular and the disclosure on audit committees required by NI 52-110 is provided in Quarterhill's current Annual Information Form dated March 14, 2024 and filed on SEDAR+ at www.sedarplus.ca.

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 2025 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 during the 60-day period that begins on the 150th day before the anniversary of the Meeting (i.e., between December 14, 2024 and February 12, 2025) outlining the matter as specified in section 137 of the CBCA.

ADDITIONAL INFORMATION

Additional information concerning Quarterhill may be found on SEDAR+ at www.sedarplus.ca. 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, 2023 and related MD&A have been posted on SEDAR+ and have been provided 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.

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.

BOARD APPROVAL

The contents and the sending of this Circular have been approved by the Board.

Exhibit A
Statement of Corporate Governance Practices

1. Board of Directors.

(a) Disclose the identity of directors who are independent.

During the year ended December 31, 2023, Roxanne Anderson, Michel Fattouche (to August 9, 2023), John Gillberry (to March 20, 2023), Rusty Lewis, Bill Morris (from August 9, 2023), James Skippen (to May 8, 2023), Pamela Steer, and Anna Tosto were "independent" directors (as that term is defined in National Instrument 58-101 – *Corporate Governance Disclosure* and National Instrument 52-110 – *Audit Committees*).

(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.

Brett Kidd was not an "independent" director because he was Quarterhill's President and Chief Executive Officer until March 20, 2023. John Gillberry was not an "independent" director because he was Quarterhill's Interim Chief Executive Officer from March 20, 2023 to September 5, 2023. Chuck Myers is not currently an "independent" director because he has been Quarterhill's Chief Executive Officer since September 5, 2023.

(c) Disclose whether or not a majority of directors are independent.

The Board is currently comprised of 6 members, 5 of whom are "independent" directors. If each person nominated for election to the Board at the Meeting is elected, then the Board will be comprised of 6 members, 5 of whom will be "independent".

(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.

Mr. Morris is currently a director and Chair of the Corporate Governance and Compensation Committee at Pivotree Inc. (TSX-V:PVT).

(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. The members of the Board have held six such meetings since January 1, 2023.

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. Lewis was appointed Chairperson of the Board effective April 3, 2023. He is an "independent" member of the Board. The Board Chair is responsible for encouraging open and candid discussion among the independent directors as well as facilitating Board meetings. The Chair's duties include: (i) setting the agenda of Board meetings; (ii) chair any in-camera sessions of the independent directors; (iii) chair Board meetings; and (iv) to promote good governance and ethics in the decision making process of the Board.

- (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 10 to 15 of Quarterhill's accompanying Management Information Circular (the "**Circular**"). Messrs. John Gillberry and James Skippen attended each meeting of the Board held in 2023 until the date that such individual ceased to be a director. Ms. Stevenson attended each meeting of the Board held in 2023, as a director to May 8, 2023 and subsequently as board observer. Dr. Fattouche attended each meeting of the Board held in 2023, as a director to August 8, 2023 and subsequently as board observer. Mr. Myers attended each meeting of the Board held in 2023 following his appointment to the Board on May 9, 2023.

- 2. Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.**

The text of the Board's written mandate is set out in **Exhibit B** 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, 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 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.**

The Board has adopted a written Code of Business Conduct and Ethics (the “Code”).

- (i) **Disclose how a person or company may obtain a copy of the code.**

A copy of the Code is available on our website at www.quarterhill.com.

- (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.**

The Code provides for a reporting mechanism to the Board.

- (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.**

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 judgement 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.**

The ESG and Nominating Committee, in consultation with the Chairperson and the Chief Executive Officer, is responsible for identifying qualified director candidates pursuant to the Environmental, Social & Governance and Nominating Committee Charter, a copy of which can be accessed at www.quarterhill.com.

- (b) **Disclose whether or not the board has a nominating committee composed entirely of independent directors.**

The ESG and Nominating Committee is currently composed of Ms. Tosto (Chair), Mr. Lewis and Ms. Steer, each of whom is an “independent” director.

- (c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.**

The ESG and Nominating Committee Charter sets out the responsibilities, powers and operation of the ESG and Nominating Committee, which includes, shaping environmental, social and governance matters for the company, as well as identifying candidates qualified to serve on the Board, to determine and recommend Board and committee composition, as well as to develop and oversee the assessment processes.

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 Mr. Morris (Chair), Mr. Lewis 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, which includes assisting the Board in discharging the Board's oversight responsibilities relating to the compensation, development, succession and retention of Quarterhill's CEO and key employees, and the establishment of fair and competitive compensation and performance incentive plans.

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 and Nominating Committee whose functions are summarized at page 22 of the accompanying Circular and in this Exhibit.

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 ESG and 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.

In respect of the year ended December 31, 2023, all Board members completed an assessment and effectiveness survey. Based on the results of such surveys, the Board implemented notable changes to Board operation, with a goal to modernizing the approach to Board performance and Board metrics generally. The Board engaged an external consultant to assist in implementing such changes to deliver useful and actionable results.

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 8 of the accompanying Circular. In addition, on at least an annual basis, the Board and the ESG and 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 minorities (collectively, the "Designated Groups") as directors. If the issuer has not adopted such a policy, disclose why it has not done so.**

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 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 ESG and 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 ESG and 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 management positions when making executive officer / senior management appointments, disclose the issuer's reason for not doing so.**

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.

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.**

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, and expects future Board vacancies to be filled based on the terms of that policy.

- (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.**

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 9 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) **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.**

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 50% 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.**

Of the 6 nominees for election to the Board at the Meeting, 3 nominees are women; if those nominees are elected to the Board at the Meeting, then 50% 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) 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.**

Of Quarterhill's and its major subsidiaries' 8 executive officers / Senior Management as at March 27, 2024: (i) 2 such persons (representing approximately 25% of all such executive officers / Senior Management) is a woman; and (ii) 1 such persons (representing approximately 13% 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 B
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 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.

Exhibit C
Equity Plan Resolution

WHEREAS the Board of Directors (the "**Board**") of Quarterhill Inc. (the "**Corporation**") adopted the Quarterhill Inc. 2018 Equity Incentive Plan on March 12, 2018, which was approved by the Corporation's shareholders on April 18, 2018 and amended by the Board on March 10, 2021 and September 1, 2021 and the Corporation's shareholders on April 21, 2022 (as so amended, the "**Equity Plan**") and all unallocated options, rights or other entitlements under the Equity Plan were most recently approved by the Corporation's shareholders at the annual and general special meeting of shareholders on April 14, 2021;

AND WHEREAS capitalized terms used but not otherwise defined herein shall have the meaning given to them in the Equity Plan;

AND WHEREAS on March 29, 2024, the Board approved certain amendments to the Equity Plan, a copy of the amended Equity Plan is attached as **Schedule 1** to these resolutions, such amendments including the following (among other amendments of a housekeeping nature and as further described in the management information circular of the Corporation dated April 4, 2024, and in each case, such amendments being subject to approval of the Corporation's shareholders at the annual and general special meeting of shareholders to be held on May 13, 2024):

- (a) to increase the maximum number of Common Shares (subject to adjustment in accordance with the Equity Plan) that may be issued for all purposes pursuant to the Equity Plan (together with all other "security based compensation arrangements" (as defined by the TSX)) from 9.5% to 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis);
- (b) to increase the maximum number of Common Shares (subject to adjustment in accordance with the Equity Plan) that may be issued to Insiders at any time under all of Quarterhill's "security based compensation arrangements" (as defined by the TSX) from 9.5% to 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis);
- (c) to increase the maximum number of Common Shares (subject to adjustment in accordance with the Equity Plan) that may be issued to Insiders within any 1-year period under all of Quarterhill's "security based compensation arrangements" (as defined by the TSX) from 9.5% to 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis);
- (d) to remove the restriction that the number of Common Shares (subject to adjustment in accordance with the Equity Plan) reserved for issuance to all Directors pursuant to any awards made under the Equity Plan is not to exceed 1% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis), as well as a corresponding amendment to Section 12.8(c)(v) of the Equity Plan to remove the reference to any amendments to such restriction requiring the approval of Quarterhill's shareholders; and
- (e) to exclude awards granted pursuant to Section 5.3 of the Equity Plan from the limitation on the aggregate value of awards granted to non-employee Directors.

NOW, THEREFORE, BE IT RESOLVED as an ordinary resolution that:

1. the amended Equity Plan (the "**Amended Equity Plan**"), as described in the management information circular of the Corporation dated April 4, 2024, and in the form set out in **Schedule 1** to Exhibit thereto, be and is hereby approved, ratified and confirmed by the Corporation's shareholders;
2. all unallocated awards issuable pursuant to the Amended Equity Plan, as may be amended from time to time, are hereby approved and authorized until May 13, 2027;
3. the Corporation has the ability to continue granting awards pursuant to the Amended Equity Plan, as may be amended from time to time, until May 13, 2027, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought; and

4. any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute and deliver all such documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any of such actions.

Schedule 1 to Exhibit C
Equity Plan

QUARTERHILL INC. 2018 EQUITY INCENTIVE PLAN

ARTICLE I
PURPOSE

1.1 Purpose. The purpose of this 2018 Equity Incentive Plan (this “**Plan**”) is to assist Quarterhill Inc. (“**Quarterhill**”) and its operating subsidiaries in attracting, retaining and motivating key employees, directors, officers and consultants through performance related incentives, thereby advancing Quarterhill’s interests and those of its shareholders.

ARTICLE II
INTERPRETATION

2.1 Definitions. When used in this Plan, unless the context requires otherwise, the following terms shall have the following meanings, respectively:

- (a) “**Affiliate**” has the meaning set forth in the Securities Act;
- (b) “**Associate**” has the meaning set forth in the Securities Act;
- (c) “**Award**” means any Option, RSU, DSU, PSU or Other Share-Based Award;
- (d) “**Award Agreement**” means a signed, written agreement between an Employee or a Director and Quarterhill, substantially in the form approved by the Board and/or the Committee subject to any amendments or additions thereto as may, in the discretion of the Granting Authority, be necessary or advisable, evidencing the terms and conditions on which an Award has been granted;
- (e) “**Black Out Period**” means any period during which Quarterhill has imposed trading restrictions on any of its Employees, Directors and/or Insiders;
- (f) “**Board**” means Quarterhill’s board of directors;
- (g) “**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Toronto are open for commercial business during normal banking hours;
- (h) “**CBCA**” means the *Canada Business Corporations Act* and the regulations promulgated thereunder, both as amended from time to time;
- (i) “**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 for any corporate transaction or reorganization in which the proportionate voting power among holders of securities of the entity resulting from such corporate transaction or reorganization is substantially the same as the proportionate voting power of such holders of Quarterhill voting securities immediately prior to such corporate transaction or reorganization or

- (B) any Person or any group of 2 or more Persons acting jointly or in concert (other than Quarterhill, a wholly-owned Subsidiary, an employee benefit plan of Quarterhill or of any of its wholly-owned Subsidiaries, including the trustee of any such plan acting as trustee) hereafter 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 wholly-owned 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 whollyowned 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 wholly-owned Subsidiary); or
 - (v) the Board passes a resolution to the effect that, for the purposes of some or all of the Award Agreements, an event set forth in any of **Sections 2.1(i)(i), 2.1(i)(ii), 2.1(i)(iii) or 2.1(i)(iv)** above has occurred;
- (j) **“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 the Change of Control, as determined by the Board in its discretion;
 - (k) **“Code”** means the United States Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated under it;
 - (l) **“Committee”** has the meaning ascribed to that term in **Section 3.2** below;
 - (m) **“Common Shares”** means the common shares in the capital of Quarterhill and any other securities of Quarterhill or any successor to Quarterhill that may be so designated by the Board and/or the Committee;
 - (n) **“Consultant”** means an individual or a consultant company, other than an Employee or a Director, that:
 - (i) is engaged to provide services to Quarterhill or a Subsidiary for a period of at least 12 continuous months other than services provided in relation to a distribution of securities of Quarterhill or a Subsidiary;
 - (ii) provides the services under a written contract with Quarterhill or a Subsidiary; and

spends or will spend a significant amount of time and attention on the affairs and business of Quarterhill or a Subsidiary,

and includes a Consultant's Permitted Assigns, **provided** that, for the purposes of this definition, "consultant company" means, with respect to an individual consultant, either (1) a company of which the individual consultant is an employee or shareholder or (2) a partnership of which the individual consultant is an employee or partner;

- (o) **"Covered Employee"** shall have the meaning set forth in Section 162(m) of the Code;
- (p) **"DSU"** means a deferred stock unit equivalent in value to a Common Share, credited by means of a bookkeeping entry in Quarterhill's books in accordance with **Article V** below;
- (q) **"Director"** means a member of the Board who is not an employee of Quarterhill or a Subsidiary, and includes a Director's Permitted Assigns;
- (r) **"Distribution Date"** means:
 - (i) in the case of a Director, the date on which such Director ceases to be a member of the Board;
 - (ii) in the case of an Employee, such Employee's Termination Date; or
 - (iii) such later date as elected by the Participant or Director **provided** that:
 - (A) in no event shall a Participant or Director be permitted to elect a date which is later than the last Business Day of the calendar year following the calendar year in which such Person's Termination Date occurs;
 - (B) any election for a Distribution Date described in **Section 2.1(r)(iii)** above will only be valid if it is delivered to Quarterhill's Corporate Secretary prior to such Person's Termination Date; and
 - (C) no such election may be made by an Employee or Director who is a U.S. Taxpayer;
- (s) **"Effective Date"** means April 18, 2018;
- (t) **"Employee"** means an employee or officer of Quarterhill or a Subsidiary (other than a Director or a Consultant), and includes an Employee's Permitted Assigns;
- (u) **"Employment Statute"** means, with respect to any given Employee, the statute governing that Participant's employment relationship with Quarterhill or the Subsidiary with which such Employee is employed, as the case may be, as such statute may be amended from time to time; **provided** that, for the purposes of any Employee resident and working in the Province of Ontario, such statute shall be deemed to be the *Employment Standards Act, 2000* (Ontario) as amended from time to time;
- (v) **"Exchange Act"** means the United States Securities Exchange Act of 1934, as amended from time to time;

- (w) **"Exercise Notice"** means a notice in writing, substantially in the form determined by Quarterhill, signed by an Employee or a Director holding an Option and stating the Participant's or Director's intention to exercise any portion or all of any particular Option;
- (x) **"Exercise Price"** means the price at which a Common Share may be purchased pursuant to the exercise of an Option;
- (y) **"Exercise Period"** means the period of time during which an Option may be exercised **provided**, however, that the Exercise Period may not exceed 10 years from the relevant Grant Date;
- (z) **"Fair Market Value"** means the closing trading price per Common Share on the TSX (or if the Common Shares are not then listed on the TSX, then on such stock exchange as the Common Shares are then traded) on the last trading day preceding the date of grant on which there was a closing price or, if the Common Shares are not listed on any stock exchange, a price determined by the Board and/or the Committee;
- (aa) **"Frustrated"** and **"Frustration"** means the happening of a supervening event or occurrence, or series of supervening events and/or occurrences, which are the fault of no party to any relevant agreement or relationship but which amount(s) to a radical transformation in the circumstances governing the performance of that agreement or relationship by any one or more such parties;
- (bb) **"Grant Date"** means, for any Award, the date specified by the Granting Authority at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;
- (cc) **"Granting Authority"** means the Board, the Committee and/or any Officer, as applicable, determined pursuant to **Sections 3.1, 3.2** and/or **3.3** below;
- (dd) **"Insider"** has the meaning set forth in the Securities Act and includes Associates and Affiliates of any such Person;
- (ee) **"NI 45-106"** means National Instrument 45-106 – Prospectus Exemptions of the Canadian Securities Administrators, as amended or supplanted from time to time;
- (ff) **"Nasdaq"** means the Nasdaq Global Select Market;
- (gg) **"Officer"** means such senior officer or officers of Quarterhill designated, from time to time, by the Board and/or the Committee;
- (hh) **"Option"** means a right to purchase Common Shares granted pursuant to **Section 4.1** below;
- (ii) **"Other Share-Based Award"** means any right granted under **Section 8.1** below;
- (jj) **"Participant"** means an Employee or a Consultant, but not a Director;
- (kk) **"Performance Goal"** means a performance goal established by the Granting Authority prior to the grant of an Award that is based on the attainment of goals relating to one or more of the following business criteria measured on an absolute basis or in terms of growth or reduction:

- (i) return on assets employed;
 - (ii) earnings per share;
 - (iii) total shareholder return;
 - (iv) net income (pre-tax or after-tax and with adjustments as stipulated);
 - (v) return on equity;
 - (vi) return on capital employed;
 - (vii) return on assets;
 - (viii) return on tangible book value;
 - (ix) operating income;
 - (x) earnings before depreciation, interest, taxes and amortization;
 - (xi) loss ratio;
 - (xii) expense ratio;
 - (xiii) share price;
 - (xiv) economic value added;
 - (xv) operating cash flow; and/or
 - (xvi) such other subjective or objective performance goals, including individual goals, that the Granting Authority deems appropriate;
- (ll) **"PSU"** means any performance stock unit granted pursuant to **Section 7.1** below;
- (mm) **"Permitted Assign"** has the meaning assigned to that term in NI 45-106;
- (nn) **"Person"** includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in their capacity as trustee, executor, administrator or other legal representative;
- (oo) **"Retirement"** means retirement from active employment with Quarterhill or a Subsidiary in accordance with Quarterhill's policies in place from time to time or, with the consent for purposes of this Plan of such officer of Quarterhill as may be designated by the Board and/or the Committee, at or after such earlier age and upon the completion of such years of service as the Board and/or the Committee may specify;
- (pp) **"RSU"** means a restricted stock unit granted pursuant to **Section 6.1** below;

- (qq) **"RSU Vesting Date"** means the date on which any RSUs held by an Employee or Director vest in accordance with **Section 3.4** below and the terms of any Award Agreement pursuant to which such RSUs were originally granted;
- (rr) **"Securities Act"** means the *Securities Act* (Ontario), as amended from time to time;
- (ss) **"Security Based Compensation Arrangement"** has the meaning given to that term in the TSX Rules;
- (tt) **"Subsidiary"** means any Person that is a, direct or indirect, wholly-owned subsidiary of Quarterhill;
- (uu) **"Termination Date"** means, in the case of an Employee or Director whose employment or term of office or engagement with Quarterhill or a Subsidiary terminates:
- (i) by reason of such Employee's or such Director's death, the date of death;
 - (ii) for any reason whatsoever other than death, the later of:
 - (A) in the case of an Employee, the last day of the minimum statutory notice period, if any, to which such Employee is entitled upon such termination pursuant to applicable employment; and
 - (B) the date designated by Quarterhill or such Subsidiary, as the case may be, as the last day of such Employee's or such Director's employment or term of office or engagement with Quarterhill or such Subsidiary, as the case may be;
- provided** that in the case of termination by reason of voluntary resignation by such Employee or such Director, such date shall not be earlier than the date that notice of resignation was received from such Employee or such Director,
- and **"Termination Date"** in any such case specifically does not mean or include the date on which any period of contractual notice or reasonable notice that Quarterhill or such Subsidiary, as the case may be, may be required at law to provide to an Employee would expire;
- (vv) **"TSX"** means the Toronto Stock Exchange;
- (ww) **"TSX Rules"** means Part VI of the TSX Company Manual as amended from time to time;
- (xx) **"U.S. Taxpayer"** shall mean an Employee or Director who is a United States citizen, United States permanent resident or United States tax resident for purpose of the Code;
- (yy) **"Vested RSU Canadian Price"** means, with respect to each vested RSU on the relevant RSU Vesting Date for the purposes of any holder thereof who is not ordinarily resident in the United States, the closing price per Common Share on the RSU Vesting Date on the TSX or, if there is no such closing price on such RSU Vesting Date, then the last preceding closing price per Common Share on the TSX; **provided**, however, that if the Common Shares are not listed on the TSX on such RSU Vesting Date, then the Vested RSU Canadian Price shall be determined by the Board and/or the Committee in their discretion;

- (zz) **"Vested RSU U.S. Price"** means, with respect to each vested RSU on the relevant RSU Vesting Date for the purposes of any holder thereof who is ordinarily resident in the United States, the closing price per Common Share on the RSU Vesting Date on the Nasdaq or, if there is no such closing price on such RSU Vesting Date, then the last preceding closing price per Common Share on the Nasdaq; **provided**, however, that if the Common Shares are not listed on the Nasdaq on such RSU Vesting Date, then the Vested RSU U.S. Price for that RSU Vesting Date shall be the Vested RSU Canadian Price.

2.2 Interpretation. Whenever the Board or, where applicable, any other Person is to exercise discretion in the administration of this Plan, the term **"discretion"** means the sole and absolute discretion of that Person. As used herein, the terms **"Article"** and **"Section"** mean and refer to the specified Article or Section of this Plan, respectively. Words importing the singular include the plural and vice versa and words importing any gender include any other gender. As used in this Plan, the words "includes" and "including" mean "includes without limitation" and "including without limitation" respectively. Whenever any payment is to be made or action is to be taken on a day which is not a Business Day, such payment shall be made, or such action shall be taken, on the next following Business Day. Unless otherwise specified, all references to money amounts are to Canadian currency.

ARTICLE III ADMINISTRATION

3.1 Administration. Subject to **Sections 3.2** and **3.3** below, this Plan will be administered by the Board and the Board has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants under this Plan may be made;
- (b) make grants of Awards relating to the issuance of Common Shares (including any combination of Options, DSUs, RSUs, PSUs or Other Share-Based Awards) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:
 - (A) Awards may be granted to Participants or Directors; or
 - (B) other Awards may be forfeited to Quarterhill,including any conditions relating to the attainment of specified Performance Goals;
 - (iii) the Exercise Price, and/or price to be paid by a Participant or Director in connection with the granting, vesting and/or exercise of Awards;
 - (iv) the time or times when each Option becomes exercisable and, subject to **Section 4.3** below, the duration of the Exercise Period;
 - (v) whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of Awards, and the nature of such restrictions or limitations, if any; and

- (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Board may determine;
- (c) interpret this Plan and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan; and
- (d) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

The Board's determinations and actions within its authority under this Plan are final and conclusive and binding on Quarterhill and all other Persons. The day-to-day administration of this Plan may be delegated to such officers and employees of Quarterhill as the Board determines.

3.2 Delegation to Committee. If permitted by applicable law, the Board may, from time to time, delegate to a committee (the "**Committee**") of the Board all or any of the powers conferred on the Board under this Plan. In connection with such delegation, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made, or action taken, by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive and binding on Quarterhill and all other Persons. Notwithstanding any such delegation or any reference to the Committee in this Plan, the Board may also take any action and exercise any powers that the Committee is authorized to take or has power to exercise under this Plan. If applicable in respect of certain Awards granted to an Employee who is a Covered Employee, such Committee shall be composed of not less than 2 directors of Quarterhill, neither of whom shall be employees of Quarterhill or its Affiliates and each of whom shall otherwise be "outside directors" for the purposes of Section 162(m) of the Code. If Quarterhill is no longer a "foreign private issuer" as defined in Exchange Act Rule 3b-4 and wishes to have a "Qualified Plan" as defined in Rule 16b3(b)(4), such Committee shall be composed of not less than 2 directors of Quarterhill, each of whom are "non-employee directors" for purposes of Section 16 of the Exchange Act and Rule 16b-3 thereunder.

3.3 Delegation to Officer(s). If permitted by applicable law, the Board and/or the Committee may, from time to time, delegate to any Officer all or any of the powers conferred on the Board and/or the Committee under this Plan. In connection with such delegation, each such Officer will exercise the powers delegated to it by the Board and/or the Committee in the manner and on the terms authorized by the Board and/or the Committee. Any decision made, or action taken, by any such Officer arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive and binding on Quarterhill and all other Persons. Notwithstanding any such delegation or any reference to any Officer in this Plan, the Board and/or the Committee may also take any action and exercise any powers that such Officer is authorized to take or has power to exercise under this Plan.

3.4 Eligibility. All Participants and Directors are eligible to participate in this Plan, subject to **Sections 9.1(e)** and **9.2(g)** below. Eligibility to participate does not confer upon any Participant or Director any right to receive any grant of an Award. The extent to which any Participant or Director is entitled to receive a grant of an Award will be determined in the discretion of the Granting Authority, **provided**, however, that the following restrictions shall also apply to this Plan, together with all of Quarterhill's other Security Based Compensation Arrangements:

- (a) the maximum number of Common Shares issuable to Insiders at any time under all of Quarterhill's Security Based Compensation Arrangements shall not exceed 10% of the issued and outstanding Common Shares;

- (b) the maximum number of Common Shares issued to Insiders within any 1-year period under all of Quarterhill's Security Based Compensation Arrangements shall not exceed 10% of the issued and outstanding Common Shares;
- (c) the maximum number of Common Shares which may be issued to any one Insider and that Insider's Associates within a 1-year period may not exceed 5% of the issued and outstanding Common Shares; and
- (d) the 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 shall not exceed \$150,000 per calendar year, of which value not more than \$100,000 in value may be comprised of Options, in each case excluding any Awards granted pursuant to **Section 5.3** below.

If Quarterhill repurchases Common Shares for cancellation resulting in the tests in **Sections 3.4(a)** or **3.4(b)** above not being met following any such cancellation(s), then such cancellation(s) shall not result in non-compliance under this Plan for any Awards then outstanding.

3.5 Total Common Shares Available.

- (a) The aggregate number of Common Shares that may be issued for all purposes pursuant to this Plan and all other Security Based Compensation Arrangements must not exceed 10% of the total number of Common Shares issued and outstanding from time to time. No grant may be made under this Plan if such grant would result in the issuance of Common Shares in excess of such limit. If Quarterhill repurchases Common Shares for cancellation resulting in the 10% limit being exceeded following any such cancellation(s), then such cancellation(s) shall not result in non-compliance under this Plan for any Awards then outstanding.
- (b) For purposes of computing the total number of Common Shares available for grant under this Plan, Common Shares subject to any Award (or any portion thereof) that has expired or is forfeited, surrendered, cancelled or otherwise terminated prior to the issuance or transfer of such Common Shares and Common Shares subject to an Award (or portion thereof) that is settled in cash in lieu of settlement in Common Shares shall again be available for grant under this Plan.

3.6 Award Agreements. All grants of Awards will be evidenced by Award Agreements. Award Agreements will be subject to the applicable provisions of this Plan. Any one officer of Quarterhill is authorized and empowered to execute and deliver, for and on behalf of Quarterhill, an Award Agreement to each Participant or Director granted an Award.

3.7 Conditions of Grant. Each Participant or Director will, when requested by Quarterhill, sign and deliver all such documents relating to the granting of Awards or exercise of Options which Quarterhill deems necessary or desirable.

3.8 Non-Transferability of Awards. Subject to **Section 9.1** below, Awards may only be exercised during the lifetime of any Participant or Director by such Participant or Director personally. No assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee (except that a Participant or Director may transfer Awards to Permitted Assigns) and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. If any Participant or Director has transferred Awards to a Permitted Assign that is a corporation pursuant to this **Section 3.8**, such Awards will terminate and be of no further

force or effect if at any time the transferor should cease to own, directly or indirectly, at least a majority of the voting power of such corporation.

ARTICLE IV STOCK OPTIONS

4.1 Grant of Options. The Granting Authority may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Granting Authority may prescribe, grant Options to any Participant or any Director.

4.2 Exercise Price. The Exercise Price of any Option will be as determined by the Granting Authority but shall not be less than the Fair Market Value on the Grant Date of that Option.

4.3 Term of Options. Subject to any accelerated termination as permitted by the Granting Authority or as otherwise set forth in this Plan, each Option, unless otherwise specified by the Granting Authority, expires on the 6th anniversary of the Grant Date of that Option (**provided** that if such expiry would otherwise be during or immediately after that specific Black Out Period, then the expiry of that Option shall be extended until 10 Business Days following the expiration of the Black Out Period); **provided** that in no event will the Exercise Period of an Option exceed 10 years from its Grant Date. The Granting Authority shall have the authority to condition the grant or vesting of Options upon the attainment of such factors (which may vary as between Options) as the Granting Authority may determine in their discretion.

4.4 Exercise of Options. Unless otherwise specified by the Granting Authority at the time of granting an Option and except as otherwise provided in this Plan or in any Award Agreement pursuant to which any particular Option is granted, each Option will vest and be exercisable as set out in the Award Agreement pursuant to which it is granted. Once an installment vests and becomes exercisable, it remains exercisable until expiration or termination of the Option, unless otherwise specified by the Granting Authority in connection with the grant of such Option or otherwise as specified herein. Each Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Common Shares with respect to which it is then exercisable. Subject to **Section 12.7** below, the Board and/or the Committee have the right to accelerate the date upon which any installment of any Option becomes exercisable. Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to Quarterhill.

4.5 Payment of Exercise Price. The Exercise Notice must be accompanied by payment in full of the Exercise Price in respect of the Common Shares to be purchased. The Exercise Price must be fully paid by cash, certified cheque, bank draft or money order payable to Quarterhill. No Common Shares will be issued or transferred until full payment therefor has been received by Quarterhill. As soon as practicable after receipt of any Exercise Notice and full payment of the Exercise Price for the Options indicated therein, Quarterhill will deliver to the Participant or Director or their designated account, as the case may be, a certificate or certificates representing the acquired Common Shares for which such Options have been so exercised as indicated in such Exercise Notice. The entirety of this **Section 4.5** is subject to **Section 12.3** below.

4.6 Special Rule Applicable to U.S. Taxpayers. With respect to Options granted to Participants or Directors who are U.S. Taxpayers, Common Shares shall constitute "stock of the service recipient" within the meaning of Section 409A of the Code if such Participant or Director performs services for any Affiliate of Quarterhill that is at least 50% owned by Quarterhill.

4.7 Previous Option Plan. Notwithstanding anything to the contrary in this Plan, each stock option granted by Quarterhill pursuant to Quarterhill's 2001 share option plan (as amended to the Effective Date) and outstanding on the Effective Date shall be deemed to be an Option hereunder and subject

to the provisions of this Plan and the terms of any agreement pursuant to which such stock option was originally granted; **provided**, however, that if any provision of this Plan conflicts with any provision of the agreement pursuant to which any such stock option was originally granted, then the provisions of that agreement shall govern. Upon approval of this Plan by Quarterhill's shareholders, Quarterhill's 2001 share option plan (as amended to the Effective Date) shall terminate in its entirety.

ARTICLE V DEFERRED STOCK UNITS

5.1 Number of DSUs. The Granting Authority may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Granting Authority may prescribe, grant DSUs to any Employee or Director. All DSUs received by an Employee or Director shall be credited to an account maintained for such Employee or such Director on the books of Quarterhill as of the Grant Date. Each award of DSUs to an Employee or Director shall be evidenced by an Award Agreement.

5.2 Distribution of DSUs. An Employee or Director shall receive, on such Person's Distribution Date, a lump sum payment in cash equal to the number of DSUs recorded in such Person's account on such Distribution Date multiplied by the Fair Market Value on such Distribution Date. At the option of the Board and/or the Committee, Quarterhill may settle any DSUs held by any holder thereof in Common Shares having a value on the applicable Distribution Date equal to the amount of the value of the DSUs to be settled on that Distribution Date divided by the Fair Market Value on that Distribution Date. Upon payment in full of the value of any DSUs, whether in cash or in Common Shares, those DSUs shall be cancelled.

5.3 Board Fees. Any Director may, on an annual basis, elect to receive DSUs in lieu of such Director's Annual Fees or in lieu of a portion of such Director's Annual Fees by giving written notice of such election to the Committee and Quarterhill's Corporate Secretary within the last 90 days of the year preceding the year in which such Annual Fees are earned.

5.4 Death of Participant Prior to Distribution. Upon the death of an Employee or Director prior to the distribution of the DSUs credited to the account of such Person, a cash payment shall be made to the estate of such Person on or about the 30th day after Quarterhill is notified of the death of such Person or on a later date elected by such Person's estate delivered to Quarterhill's Corporate Secretary no later than 20 days after Quarterhill is notified of the death of such Person, **provided** that such date is no later than the last business day of the calendar year following the calendar year in which such Person dies. Any such cash payment shall be equivalent to the amount which would have been paid to such Person pursuant to and subject to **Section 5.2** above, calculated on the basis that the day on which such Person died, or the date elected by such Person's estate, as applicable, shall be that Person's Distribution Date. Upon payment in full of the value of any DSUs that become payable under this **Section 5.4**, those DSUs shall be cancelled.

ARTICLE VI RESTRICTED STOCK UNITS

6.1 Grants of RSUs. The Granting Authority may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Granting Authority may prescribe, grant RSUs to any Employee or any Director.

6.2 Terms of RSUs. The Granting Authority shall have the authority to condition the grant of RSUs upon the attainment of specified factors (which may vary as between awards of RSUs) as the Granting Authority may determine in their discretion. The Granting Authority shall have the authority to determine at the time of grant, in their discretion, the duration of the vesting period and other vesting terms (including the Vesting Dates and the proportions of any specific RSUs to vest on any

such Vesting Date) applicable to the grant of any specific RSUs, **provided** that no RSU granted shall vest and be payable after December 31 of the third calendar year following the year of service for which the RSU was granted.

6.3 Vesting of RSUs. An Employee or Director shall receive, on or as soon as reasonably possible following the Vesting Date of any of such Person's RSUs, a lump sum payment in cash equal to the number of RSUs vesting on such Vesting Date multiplied by the Vested RSU Canadian Price or the Vested RSU U.S. Price, as may be applicable, on such Vesting Date. At the option of the Board and/or the Committee, Quarterhill may settle any RSUs held by any holder thereof in Common Shares having a value on the applicable Vesting Date equal to the amount of the value of the RSUs to be settled on that Vesting Date divided by the Vested RSU Canadian Price or the Vested RSU U.S. Price, as may be applicable, on that Vesting Date. Upon payment in full of the value of any RSUs, whether in cash or in Common Shares, those RSUs shall be cancelled.

ARTICLE VII PERFORMANCE STOCK UNITS

7.1 Grant of PSUs. The Granting Authority may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Granting Authority may prescribe, grant PSUs to any Employee. Each PSU will consist of a right, (a) denominated or payable in cash, Common Shares, other securities or other property and (b) which will confer on the holder thereof rights valued as determined by the Granting Authority and payable to, or exercisable by, the holder of the PSU, in whole or in part, upon the achievement of such performance goals during such performance periods as the Granting Authority may establish.

7.2 Value of PSUs. The initial value of a PSU will be established by the Granting Authority at the Grant Date and, if related to Common Shares, other securities or other property will initially be equal to 100% of the Fair Market Value of a Common Share or the fair market value (as determined by the Board and/or the Committee) of such other security or such other property on the Grant Date of such PSU.

7.3 Terms of PSUs. Subject to the terms of this Plan and any applicable Award Agreement, the Performance Goals of any PSU to be achieved during any period, the amount of any PSU granted, the termination of an Employee's employment and the amount of any payment or transfer to be made pursuant to any PSU and by the other terms and conditions of any PSU will be determined by the Granting Authority and detailed in the Award Agreement pursuant to which such PSU is granted.

7.4 Performance Goals. The Granting Authority will issue Performance Goals relating to each PSU prior to the commencement of the period to which such Performance Goals pertain. The Granting Authority may modify Performance Goals relating to any PSU as necessary to align them with Quarterhill's corporate objectives if there is a subsequent material change in Quarterhill's business, operations or capital or corporate structure.

ARTICLE VIII OTHER SHARE-BASED AWARDS

8.1 Other Share-Based Awards. The Granting Authority may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Granting Authority may prescribe, grant Other Share-Based Awards to any Employee. Each Other Share-Based Award will consist of a right (a) which is other than an Award or right described in **Articles IV, V, VI or VII** above and (b) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Common Shares (including securities convertible into Common Shares) as are deemed by the Granting Authority to be consistent with the purposes of this Plan; **provided**,

however, that the nature and terms of such rights shall be subject to the prior approval of the TSX, if required, and shall comply with applicable law. Subject to the terms of this Plan and any applicable Award Agreement, the Granting Authority will determine the terms and conditions of Other Share-Based Awards. Common Shares or other securities delivered pursuant to a purchase right granted under this **Section 8.1** will be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including cash, Common Shares, other securities, other Awards, other property, or any combination thereof, as the Granting Authority may determine. For greater certainty, if any Other Share-Based Award is governed by a separate plan approved by the Board, any such award shall not be subject to the provisions of this Plan. Subject to compliance with applicable law, the Board may waive any portion of this **Section 8.1** at any time and in its sole discretion.

ARTICLE IX TERMINATION OF EMPLOYMENT

9.1 Retirement, Death or Frustration. Subject to **Section 5.4** above, if a Participant or Director dies or their employment or engagement with Quarterhill or any Subsidiary becomes Frustrated while an employee, officer or director of or consultant to Quarterhill or a Subsidiary or if the employment or term of office or engagement of a Participant with Quarterhill or a Subsidiary terminates due to Retirement, then:

- (a) the executor or administrator of the Participant's or Director's estate or the Participant or Director, as the case may be, may exercise such Participant's or Director's Options, **provided** that the number of Options exercisable shall equal the number of Options that were exercisable at the Termination Date and any Options held by such Participant or Director that are not yet exercisable at the Termination Date shall immediately expire and be cancelled on the Termination Date;
- (b) the right to exercise such exercisable Options shall terminate on the earlier of: (i) the date that is 12 months after the Termination Date; and (ii) the date on which the Exercise Period of the particular Option expires;
- (c) a portion of the next installment of any RSUs due to vest shall immediately vest, such portion to be equal to the number of RSUs next due to vest multiplied by a fraction the numerator of which is the number of days elapsed since the date of vesting of the last installment of the RSUs (or if none have vested, the Grant Date) to the Termination Date and the denominator of which is the number of days between the date of vesting of the last installment of the RSUs (or if none have vested, the Grant Date) and the date of vesting of the next installment of the RSUs;
- (d) subject to **Section 9.3** below, any other Awards held by the Participant or Director that are not yet vested at the Termination Date are immediately forfeited to Quarterhill on the Termination Date; and
- (e) such Participant's or Director's eligibility to receive further grants of Awards ceases as of the Termination Date.

9.2 Termination of Employment or Services.

- (a) Where a Participant's or Director's employment or term of office or engagement with Quarterhill or a Subsidiary terminates by reason of the Participant's death, Frustration or Retirement or, in the case of a Director, the Director's death or Frustration of the Director's

engagement with Quarterhill or any Subsidiary, then the provisions of **Section 9.1** above will apply.

- (b) Where an Employee's employment or term of office or engagement terminates by reason of such Employee's resignation, then any Options held by such Employee that are exercisable at the Termination Date continue to be exercisable by such Employee until the earlier of: (i) the date that is 90 days after the Termination Date; and (ii) the date on which the Exercise Period of the particular Option expires. Any Options and any other Awards held by such Employee that are not yet exercisable or vested at the Termination Date shall immediately expire and be cancelled on the Termination Date.
- (c) Where an Employee's employment or term of office or engagement terminates by reason of termination by Quarterhill or a Subsidiary, and such Employee is entitled to the minimum applicable statutory period of notice of termination pursuant to the applicable Employment Statute, whether or not such Employee is also entitled to additional amounts pursuant to any applicable agreement, then:
 - (i) any Options held by such Employee that are exercisable at the Termination Date shall continue to be exercisable by such Employee until the earlier of: (i) the date that is 90 days after the Termination Date; and (ii) the date on which the Exercise Period of the particular Option expires;
 - (ii) a portion of the next installment of any other RSUs due to vest shall immediately vest, such portion to be equal to the number of RSUs next due to vest multiplied by a fraction the numerator of which is the number of days elapsed since the date of vesting of the last installment of the RSUs (or if none have vested, the Grant Date) to the Termination Date and the denominator of which is the number of days between the date of vesting of the last installment of the RSUs (or if none have vested, the Grant Date) and the date of vesting of the next installment of the RSUs; and
 - (iii) any other Options or other Awards held by such Employee that are not yet exercisable or vested at the Termination Date shall immediately expire and be cancelled on the Termination Date.
- (d) Where an Employee's employment or term of office or engagement terminates by reason of termination by Quarterhill or a Subsidiary, and such Employee is not entitled to the minimum applicable statutory period of notice of termination pursuant to the applicable Employment Statute, or, in the case of a Consultant, for breach of contract, then any Options and any other Awards held by such Participant at the Termination Date (whether or not exercisable) shall immediately expire and be cancelled on the Termination Date.
- (e) Where a Director's term of office is terminated by Quarterhill for breach by the Director of their fiduciary duty to Quarterhill, then any Options and any other Awards held by such Participant at the Termination Date (whether or not exercisable) shall immediately expire and be cancelled on the Termination Date.
- (f) Where a Director's term of office terminates for any reason other than death of such Director, Frustration of such Director's engagement with Quarterhill or any Subsidiary or a breach by such Director of their fiduciary duty to Quarterhill, the Board may, in its discretion, at any time prior to or following the Termination Date: (i) permit the exercise of any or all Options held by such Director, whether or not exercisable at the Termination Date, in the manner and on the terms authorized by the Board, **provided** that the Board shall not, in any case, authorize the exercise of an Option pursuant to this **Section 9.2(f)** beyond the date on which

the Exercise Period of the particular Option expires; and (ii) provide for the vesting of any or all other Awards held by such Director on the Termination Date.

- (g) The eligibility of a Participant or Director to receive further grants of Awards ceases as of the date that Quarterhill or a Subsidiary, as the case may be, provides such Participant or Director with written notification that such Participant's employment or term of office, or such Director's term of office, as the case may be, is terminated, notwithstanding that such date may be prior to the Termination Date.
- (h) Unless the Board and/or the Committee, in their discretion, otherwise determines, at any time and from time to time, Awards held by a Participant shall not be affected by a change of employment arrangement within or among Quarterhill or a Subsidiary for so long as such Participant continues to be an employee of Quarterhill or a Subsidiary, including a change in the employment arrangement of a Participant whereby such Participant becomes a Director.

9.3 Discretion to Permit Exercise. Notwithstanding the provisions of **Sections 9.1** and **9.2** above, the Board and/or the Committee may, in their discretion, at any time prior to or following the events contemplated in **Sections 9.1** and **9.2** above, permit the exercise of any or all Options held by a Participant or Director or permit the acceleration of vesting of any other Awards, all in the manner and on the terms as may be authorized by the Board and/or the Committee, **provided** that neither the Board nor the Committee will, in any event, authorize the exercise of an Option pursuant to this **Section 9.3** beyond the expiration of the Exercise Period of the particular Option.

ARTICLE X CHANGE OF CONTROL

10.1 Change of Control.

- (a) Unless otherwise determined by the Granting Authority at or after the Grant Date, any Options outstanding immediately prior to the occurrence of a Change of Control, but which are not then exercisable, shall become fully exercisable upon the occurrence of a Change of Control. Unless otherwise determined by the Granting Authority at or after the Grant Date, all outstanding vested Options shall 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 Committee may determine prior to the Change of Control. Outstanding Options may only be cashed out, as described above, 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 Committee may terminate such outstanding Options and such outstanding Options shall be of no further force or effect. Further, the Board and/or the Committee shall have the right to 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, and notwithstanding **Section 12.7(b)** below, the Board and/or the Committee shall have the right to 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.
- (b) Unless otherwise determined by the Granting Authority at or after the Grant Date, 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. Unless otherwise determined by the Granting Authority at or after the Grant Date, 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 Committee may determine prior to the Change of Control. Further, the Board and/or the Committee shall have the right to 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, and notwithstanding **Section 12.7(b)** below, the Board and/or the Committee shall have the right to determine, in their discretion, that RSUs, DSUs, PSUs or Other Share-Based Awards outstanding shall not become vested and shall be cancelled and forfeited to Quarterhill in the event of a Change of Control

10.2 Parachute Payments. If an Employee or Director that is a U.S. Taxpayer is entitled to receive payments that would qualify as excess “parachute payments” under Section 280G of the Code, those payments shall be reduced by the necessary amount so that such Person is not subject to excise tax under Section 4999 of the Code if such reduction would result in such Person receiving a greater after-tax payment.

ARTICLE XI SHARE CAPITAL ADJUSTMENTS

11.1 General. The existence of any Award does not affect in any way the right or power of Quarterhill or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in Quarterhill's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving Quarterhill, to create or issue any bonds, debentures, Common Shares or other securities of Quarterhill or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of Quarterhill or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this **Section 11.1** would have an adverse effect on this Plan or on any Award granted hereunder.

11.2 Reorganization of Capital. If Quarterhill effects a subdivision or consolidation of Common Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or if any other change is made in the capitalization of Quarterhill that does not constitute a Change of Control and that would warrant the amendment or replacement of any existing Awards in order to adjust: (a) the number of Common Shares that may be acquired on the vesting of outstanding Awards or the exercise of any outstanding Options; (b) the Exercise Price of any outstanding Options; and/or (c) the terms of any other Award in order to preserve proportionately the rights and obligations of the Participants or Directors holding such Awards; then, in each such instance, the Board will authorize such steps to be taken as it may consider to be equitable and appropriate to reflect that proportionality.

11.3 Other Events Affecting Quarterhill. In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving Quarterhill and occurring by exchange of Common Shares, by sale or lease of assets or otherwise, that does not constitute a Change of Control and that warrants the amendment or replacement of any existing Awards in order to adjust: (a) the number of Common Shares that may be acquired on the vesting of outstanding Awards or the exercise of any outstanding Options; (b) the Exercise Price of any outstanding Options; and/or (c) the terms of any other Award in order to preserve proportionately the rights and obligations of the Participants or Directors holding such Awards; then, in each such instance, the Board will authorize such steps to be taken as it may consider to be equitable and appropriate to reflect that proportionality.

11.4 Immediate Exercise of Awards. If the Board determines that the steps provided in **Sections 11.2** and **11.3** above would not preserve proportionately the rights, value and obligations of the

Participants or Directors holding such Awards in the circumstances or otherwise determines that it is appropriate, then:

- (a) the Board may permit the immediate exercise of any outstanding Options that are not otherwise exercisable, and the immediate vesting of any unvested Awards; and
- (b) if the Board takes the step contemplated in **Section 11.4(a)** above, then the Board may also authorize Quarterhill, if permitted under applicable laws, to:
 - (i) purchase any Options from any Employee or Director for a price equal to the difference between the Fair Market Value of the underlying Common Shares and the Exercise Price of the Options; or
 - (ii) loan to Participants an amount equal to the aggregate Exercise Price for those Options of the Participant which have an Exercise Price which is less than the Fair Market Value of the underlying Common Shares at a rate of interest equal to the current prime rate plus 1.0% **provided** that the Participant irrevocably:
 - (A) agrees to exercise all such Options of the Participant; and
 - (B) authorizes Quarterhill to sell, dispose of or deposit in acceptance of an outstanding take-over bid the Common Shares issuable upon the exercise of such Options, to deduct from the proceeds of sale of such Common Shares an amount equal to the outstanding balance of the loan plus accrued interest in payment of such loan, to mail a cheque payable to the Participant for the balance of the proceeds of sale and to execute and deliver on behalf of the Participant all transfers, consents or other documents necessary to give effect to the foregoing.

11.5 Issue by Company of Additional Shares. Except as expressly provided in this **Article XI**, neither the issue by Quarterhill of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to, (a) the number of Common Shares that may be acquired as a result of a grant of Awards or upon the exercise of any outstanding Options or (b) the Exercise Price of any outstanding Options.

11.6 Fractions. No fractional Common Shares will be issued on the exercise of an Option or the grant of an Award. Accordingly, if, as a result of any adjustment under **Sections 11.2** or **11.3** above, an Employee or Director would become entitled to a fractional Common Share, the Participant or Director has the right to acquire only the adjusted number of full Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares which shall be disregarded.

ARTICLE XII MISCELLANEOUS PROVISIONS

12.1 Legal Requirement. Quarterhill is not obligated to grant any Awards, issue any Common Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its discretion, such action would constitute a violation by a Participant, Director or Quarterhill of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any stock exchange upon which the Common Shares may then be listed.

12.2 Entitlements. Except as otherwise provided in this Plan and subject to the discretion of the Board, which discretion may be delegated to the Committee, Options (whether or not exercisable) and other Awards previously granted under this Plan shall not be affected by any change in the relationship between, or ownership of, Quarterhill and any Subsidiary.

12.3 Issuance of Common Shares. If Quarterhill issues Common Shares in settlement of any Award, such Common Shares may be issued from treasury or purchased by Quarterhill on the open market on behalf of the Participant or Director with respect to whom such Award relates and, in any such event:

- (a) if Quarterhill issues such Common Shares from treasury, then the number of whole Common Shares to be so issued will be based on the applicable provision of this Plan less any deduction for withholding pursuant to **Section 12.4** below and such Common Shares will be issued in consideration for the past services of such Person to Quarterhill and the related entitlement of such Person shall be satisfied in full by such issuance of Common Shares; or
- (b) if Quarterhill purchases such Common Shares from the open market, then the number of whole Common Shares to be so purchased will be based on the applicable provision of this Plan less any deduction for withholding pursuant to **Section 12.4** below and such Common Shares will be purchased through an independent broker chosen by Quarterhill and the related entitlement of such Person shall be satisfied in full by such purchase of Common Shares.

12.4 Withholding Taxes. The granting or vesting of each Award and exercise of each Option granted under this Plan is subject to the condition that if, at any time, the Board and/or the Committee determines, in their discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or exercise, then such grant, vesting or exercise shall not be effective unless such withholding has been effected to the satisfaction of the Board and/or the Committee. In such circumstances, Quarterhill may require that a Participant or Director pay to Quarterhill, in addition to and in the same manner as the Exercise Price, or as Quarterhill may determine, such amount as Quarterhill or any Subsidiary is obliged to remit to the relevant taxing authority in respect of the granting or vesting of the Award or exercise of the Option. Any such additional payment shall be due no later than the date on which any amount with respect to the Award or exercised Option is required to be remitted to the relevant tax authority by Quarterhill or any Subsidiary, as the case may be.

12.5 Rights of Participant. No Participant or Director has any claim or right to be granted an Award (including an Option granted in substitution for any Option that has expired pursuant to the terms of this Plan) and the granting of any Award is not to be construed as giving a Participant or Director a right to remain as an employee, consultant or director of Quarterhill or any Subsidiary. No Participant or Director has any rights as a shareholder of Quarterhill in respect of Common Shares issuable on the exercise of any Option or issuable pursuant to any other Award (including any right to receive dividends or other distributions on any such Options or other Awards) until and upon the allotment and issuance to such Participant or Director of certificates representing such Common Shares.

12.6 Other Incentive Awards. The Board and/or the Committee shall have the right to grant other incentive awards based upon Common Shares under this Plan to Participants or Directors in accordance with applicable laws and regulations and subject to regulatory approval, including the approval of the TSX, having such terms and conditions as the Board and/or the Committee may determine, including the grant of Common Shares based upon certain conditions and the grant of securities convertible into Common Shares.

12.7 Termination. Unless renewed for such further period and upon such terms and conditions as the Board and/or the Committee may determine, this Plan will terminate on the earlier of: (a) the 10th

anniversary of the Effective Date; and (b) the acceleration of the vesting of all Options and other Awards pursuant to **Section 10.1** above upon the occurrence of a Change of Control.

12.8 Amendment.

- (a) 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 Committee may, without notice or Quarterhill shareholder approval, at any time or from time to time, amend this Plan and/or any Awards granted hereunder for the purposes of:
 - (i) making any amendments to the general vesting provisions of any Award;
 - (ii) making any amendments 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 Grant Date;
 - (iii) making any amendments to the provisions set out in **Article IX** above;
 - (iv) making any amendments to add covenants of Quarterhill for the protection of Participants or Directors, as the case may be, **provided** that the Board and/or the Committee shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants or Directors, as the case may be;
 - (v) making any amendments not inconsistent with this 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 Committee, having in mind the best interests of the Participants and Directors, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant or Director resides, **provided** that the Board and/or the Committee shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors;
 - (vi) making such changes or corrections 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 Committee shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants or Directors; or
 - (vii) making any other amendment(s) that do not require Quarterhill shareholder approval pursuant to **Section 12.8(c)** below or the rules of the TSX.
- (b) Subject to **Section 10.1** above, the Board and/or the Committee may alter, change or impair any rights or increase any obligations with respect to any Award previously granted under this Plan with the consent of the Participant or Director holding that Award; **provided**, however, that neither the Board nor the Committee may alter, change or impair any rights or increase any obligations with respect to any Award previously granted under this Plan without the consent of the Participant or Director holding that Award.
- (c) Notwithstanding any other provision of this Plan or any outstanding Awards granted hereunder, none of the following amendments shall be made to this 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 this Plan which would increase the number of Common Shares issuable under this Plan, otherwise than in accordance with the terms of this Plan;
- (ii) amendments to this Plan which would increase the number of Common Shares issuable to Insiders, otherwise than in accordance with the terms of this Plan;
- (iii) amendments to this Plan which would increase the number of Common Shares issuable to Directors under this Plan, otherwise than in accordance with the terms of this Plan;
- (iv) amendments that would extend the Exercise Period of any Options beyond the original expiry;
- (v) amendments that would increase 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 permitted by **Section 3.4(d)** above;
- (vi) amendments that would permit the transfer or assignment of any Award for any reason other than a Participant's or a Director's estate planning;
- (vii) amendments that would reduce the Exercise Price of any Options, otherwise than in accordance with the terms of this Plan;
- (viii) amendments that would result in the cancellation of any Options held by any Participant or Director and the related reissue of Options or other entitlements to that Person;
- (ix) amendments to **Sections 12.8(c)(i) to 12.8(c)(viii)** above; and
- (x) the addition of any form of financial assistance to an Employee or Director not otherwise provided for herein.

Any amendment that would cause an Award held by a U.S. Taxpayer to fail to comply with Section 409A of the Code shall be null and void *ab initio*.

12.9 Section 409A of the Code. This Plan will be construed and interpreted to comply with Section 409A of the Code if required to preserve the intended tax consequences of this Plan. Quarterhill reserves the right to amend this Plan if it reasonably determines it is necessary to preserve the intended tax consequences of this Plan in light of Section 409A of the Code and any regulations or guidance under that section. In no event will Quarterhill be responsible if Awards result in adverse tax consequences to a U.S. Taxpayer under Section 409A of the Code. Notwithstanding any provisions of this Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of defined compensation under Section 409A of the Code made in connection with a "separation from service" within the meaning set forth in Section 409A of the Code may not be made prior to the date which is 6 months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such 6-month anniversary of such separation from service.

12.10 Requirement of Notification Under Section 83(b) of the Code. If a Participant or Director, in connection with the acquisition of Common Shares under this Plan, is permitted under the terms of the Award Agreement to make the election permitted under Section 83(b) of the Code (i.e. an election to include in gross income in the year of transfer the amounts specified in Section 83(b) of the Code notwithstanding the continuing transfer restrictions) and the Participant or Director makes such an election, then the Participant or Director shall notify Quarterhill of such election within 10 days of filing notice of the election with the Internal Revenue Service, in addition to any filing and notification required pursuant to regulations issued under Section 83(b) of the Code.

12.11 Participation in this Plan. The participation of any Employee or Director in this Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant or Director any rights or privileges other than those rights and privileges expressly provided in this Plan. In particular, participation in this Plan does not constitute a condition of employment or engagement nor a commitment on the part of Quarterhill to ensure the continued employment or engagement of such Participant or Director. This Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Common Shares. Quarterhill does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

12.12 International Participants. With respect to Participants or Directors who reside or work outside Canada and the United States, the Board and/or the Committee may, in their discretion, but shall not be required to, amend or otherwise modify, without Quarterhill shareholder approval, the terms of this Plan or Awards with respect to such Participants or Directors in order to conform such terms with the provisions of local law, and the Board and/or the Committee may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

12.13 Effective Date. This Plan becomes effective on the date on which it is approved by Quarterhill's shareholders at a meeting called, among other reasons, to approve this Plan.

12.14 Governing Law. This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

APPROVED by the Board of Directors of Quarterhill Inc. on March 12, 2018 and the shareholders of Quarterhill Inc. on April 18, 2018, and amended by the Board of Directors of Quarterhill Inc. on March 10, 2021 and March 29, 2024.

QUARTERHILL INC.

Signed:	<u>/s/ Chuck Myers</u>
Name:	Chuck Myers
Title:	Chief Executive Officer

Exhibit D
Employee Share Purchase Plan

Quarterhill Inc.

Employee Share Purchase Plan

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QUARTERHILL INC.
Employee Share Purchase Plan

ARTICLE I
Purpose and Effective Date

The purpose of this Plan is to provide incentives for, and to encourage share ownership by, Employees of Quarterhill Inc. or any of its Subsidiaries whose Employees participate in the Plan in order to increase their proprietary interest in the success of the Company.

The effective date of this Plan is the date of the annual meeting of shareholders of the Company held in 2024; provided, that this Plan is approved by the Company's shareholders at such meeting.

The Plan includes two components: a 423 Component and a Non-423 Component. The Company intends (but makes no undertaking or representation to maintain) the 423 Component to qualify as a 423 Employee Share Purchase Plan. The provisions of the 423 Component of the Plan, accordingly, will be construed in a manner that is consistent with the requirements of Section 423 of the Code. Except as otherwise provided in the Plan or determined by the Committee, the Non-423 Component will operate and be administered in the same manner as the 423 Component. All U.S. Employees who are eligible to participate in the Plan will be eligible to participate in the 423 Component of the Plan.

ARTICLE II
Definitions

Whenever capitalized in the text, the following terms shall have the meanings set forth below.

2.1 "423 Component" shall mean the part of the Plan, which excludes the Non-423 Component, pursuant to which Purchase Rights that satisfy the requirements for a 423 Employee Share Purchase Plan may be granted to eligible U.S. Employees.

2.2 "423 Employee Share Purchase Plan" shall mean a Plan that grants purchase rights under an "Employee Share Purchase Plan" as that term is defined in Section 423(b) of the Code.

2.3 "Account" shall mean the account established pursuant to Section 3.5 below to hold a Participant's contributions to the Plan.

2.4 "Act" shall mean the *Income Tax Act* (Canada) and the regulations made thereunder and applicable provincial income tax legislation and regulations made thereunder.

2.5 "Board" shall mean the board of directors of Quarterhill Inc.

2.6 "Code" shall mean the Internal Revenue Code of 1986, as amended. Reference to any specific section of the Code shall be deemed to be a reference to any successor provision.

2.7 "Committee" shall mean the Compensation Committee of the Board or such other committee or individual designated by the Board to administer the Plan from time to time.

2.8 "Common Shares" shall mean the common shares in the share capital of Quarterhill Inc., without par value.

2.9 "Company" shall mean Quarterhill Inc., a public company incorporated pursuant to the laws of Canada, as well as any Subsidiary whose employees participate in the Plan with the consent of the Board.

2.10 "Continuous Employment" shall mean employment without interruption by the Company. Employment shall not be considered interrupted because of:

- (a) transfers of employment between the Company and a Subsidiary (or vice versa) or between different Subsidiaries; or
- (b) any Leave of Absence.

2.11 "Dollar Limit" means any applicable specified dollar limit on the amount of cash that each Participant may apply for the purchase of shares during any Purchase Right Period, or on any purchase date within any Purchase Right Period, as approved by the Committee prior to the commencement of such Purchase Right Period.

2.12 "Earnings" shall mean, unless otherwise defined in the applicable Offering Document:

- (a) with respect to a U.S. Employee, the total regular base wages or salary of such Participant from the Company, overtime payments, shift premiums and payments for paid time off, calculated before deduction of (i) any income or employment tax withholdings or (ii) any amounts deferred pursuant to Section 401(k) or Section 125 of the Code. Earnings shall be limited to such amounts actually payable in cash or deferred during the Purchase Right Period. Earnings shall not include (i) sign-on bonuses, annual or other incentive bonuses, commissions, profit-sharing distributions or other incentive-type payments, (ii) any contributions made by the Company on the Participant's behalf to any employee benefit or welfare plan now or hereafter established (other than amounts deferred pursuant to Section 401(k) or Section 125 of the Code), (iii) payments in lieu of notice, payments pursuant to a severance agreement, termination pay, moving allowances, relocation payments, or (iv) any amounts directly or indirectly paid pursuant to the Plan or any other share purchase, stock option or other share-based compensation plan, or any other compensation not expressly included by this definition; and
- (b) with respect to a Participant who is not a U.S. Employee, the monthly basic earnings received by an Employee from the Company (excluding overtime, all benefits realized from share based compensation, commissions and all bonuses).

2.13 "Employee" shall mean:

- (a) with respect to the 423 Component, a person treated as an employee of the Employer for purposes of Section 423 of the Code.
- (b) with respect to the non-423 Component, means an active employee of any Employer who is employed as a permanent full-time employee or permanent part-time employee, but does not include a probationary employee, a temporary, seasonal or casual employee.

This term does not include members of the Board unless they are employed by the Company in a position in addition to their duties as a director.

2.14 "Employer" shall mean the Company or a Subsidiary.

2.15 "Fair Market Value" of Common Shares for any day shall be the last reported sale price on that day, or, if no such reported sale takes place on that day, the average of the last reported bid and ask prices on that day, in either case on the Securities Exchange. If the Securities Exchange is closed on such date, the "Fair Market Value" shall be determined as of the last preceding day on which the Common Shares traded or for which bid and ask prices are available.

2.16 "Insider" shall have the meaning ascribed to "reporting insiders" as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*. **"Leave of Absence"** shall mean an unpaid leave of absence taken in accordance with the Company's leave of absence policy, if any, or designated as such by the Committee. A Participant will not be considered to have incurred a break in Continuous Employment because of a Leave of Absence that does not exceed ninety (90) days. If the Leave of Absence exceeds ninety (90) days, the Participant will be deemed to have incurred a break in Continuous Employment on the ninety-first (91st) day, unless the Participant's rights to reemployment are guaranteed by statute or contract.

2.18 "Non-423 Component" shall mean the part of the Plan, which excludes the 423 Component, pursuant to which Purchase Rights that are not intended to satisfy the requirements for a 423 Employee Share Purchase Plan may be granted to eligible Employees.

2.19 "Offering Document" shall mean the "Offering Document" in the form approved by the Committee setting forth the applicable duration of Purchase Right Periods and purchase dates and setting forth the other terms and conditions of participation in Purchase Right Periods, as approved by the Committee in its discretion, consistent with the terms of the Plan. The Offering Document for the 423 Component of the Plan may have terms and conditions that differ from the Non-423 Component of the Plan.

2.20 "Participant" shall mean an Employee who enrolls in this Plan pursuant to the provisions hereof and has been granted, or will be granted, a Purchase Right under the Plan.

2.21 "Plan" shall mean this Quarterhill Inc. Employee Share Purchase Plan.

2.22 "Plan Broker" shall mean a stock brokerage firm or other administrator designated by the Committee to effect the exercise of Purchase Rights under the Plan and to establish accounts for Common Shares purchased under the Plan by Participants, among other matters.

2.23 "Purchase Right" shall mean a right to purchase Common Shares granted pursuant to the Plan.

2.24 "Purchase Right Period" shall mean the period of such duration as the Committee shall determine and approve prior to commencement of such applicable period and as set forth in the applicable Offering Document, subject to Section 4.3 and earlier termination in connection with a Termination Event. The Committee may establish additional or alternative concurrent, sequential or overlapping Purchase Right Periods, a different duration for one or more Purchase Right Periods or different commencing or ending dates for such Purchase Right Periods; provided, however, that no Purchase Right Period may have a duration exceeding twenty-seven (27) months.

2.25 "Securities Exchange" shall mean the Toronto Stock Exchange, or if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, such other securities exchange on which the Common Shares are listed and posted for trading (as may be designated from time to time by the Committee in its sole discretion).

2.26 "Share Limit" shall mean the applicable maximum number of shares that each Participant may purchase during any Purchase Right Period, or on any purchase date within any Purchase Right Period, as approved by the Committee prior to the commencement of such Purchase Right Period.

2.27 "Shareholders" shall mean the holders of Common Shares of the Company.

2.28 "Subsidiary" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations (other than the last corporation in the unbroken chain) owns shares possessing fifty percent (50%) or more of the total combined voting power of all classes of shares in one of the other corporations in the chain.

2.29 "U.S. Employee" shall mean any Employee employed by any Employer that is incorporated or organized in the United States.

ARTICLE III Eligibility and Participation

3.1 Eligibility.

- (a) With respect to the Non-423 Component of the Plan, all Employees who are not U.S. Employees and who are regularly scheduled to work at least twenty (20) hours per week are eligible to participate in the Plan. Notwithstanding the foregoing, such Employees that are citizens or residents of a jurisdiction outside of Canada (i) whose laws prohibit their participation in the Plan, or (ii) where the burden to the Company of complying with local tax, securities and employment law does not warrant extending participation in the Plan in such foreign jurisdiction, may be deemed by the Committee as not eligible to participate in the Non-423 Component of the Plan.
- (b) With respect to the 423 Component of the Plan, the following eligibility criteria shall apply. All U.S. Employees regularly scheduled to work at least twenty (20) hours per week are eligible to participate in the 423 Component of the Plan. Notwithstanding the foregoing, such U.S. Employees that are citizens or residents of a jurisdiction outside of the United States (i) whose laws prohibit their participation in the Plan, (ii) whose participation would cause the Plan to not meet the eligibility requirements of Code Section 423, or (iii) where the burden to the Company of complying with local tax, securities and employment law does not warrant extending participation in the Plan in such foreign jurisdiction, may be deemed by the Committee as not eligible to participate in the Plan. In addition, the Committee may provide in the applicable Offering Document that no U.S. Employee will be eligible to be granted Purchase Rights under the 423 Component of Plan unless, on the first date of the Purchase Right Period, such U.S. Employee's customary employment with the Employer is more than five months per calendar year, the individual has been employed for a period of at least two (2) years, or such other eligibility criteria as the Committee may determine consistent with the requirements of Section 423 of the Code.
- (c) No Employee may be granted a Purchase Right under the 423 Component of the Plan if the Employee would immediately thereafter own, directly or indirectly, five percent (5%) or more of the combined voting power or value of all classes of shares of the Company or of a Subsidiary, as determined in accordance with Section 423(b)(3) of the Code. For this purpose, an Employee's ownership interest shall be determined in accordance with the constructive ownership rules of Code Section 424(d).

3.2 Enrollment; Payroll Withholding.

- (a) Employees who have satisfied the eligibility conditions of Section 3.1 above may enroll as Participants by executing, prior to the commencement of each Purchase Right Period, a form provided by the Company on which they designate:
 - (i) the applicable whole percentage of eligible Earnings to be deducted from each of their paychecks and contributed to their Accounts for the purchase of Common Shares, which shall not be less one percent (1%) of the Participant's Earnings per payroll period, and shall not be more than 10 percent (10%) of the Participant's Earnings in each actual payroll period, subject to adjustment at the discretion of the Committee; and/or
 - (ii) the amount of funds, if any, which they will deposit at the beginning of the Purchase Right Period for the purchase of Common Shares, subject to such procedures and any minimum required contribution amounts as are approved by the Committee.
- (b) Once selected, the rate of contributions for a Purchase Right Period cannot be decreased or increased without terminating the Purchase Right. Pursuant to rules and procedures prescribed by the Committee, a Participant may make additional contributions to make up for amounts that he or she failed to make while on a Leave of Absence if the Participant returns to active employment and contributes those amounts before the end of the Purchase Right Period.
- (c) Participation in this Plan is entirely voluntary and any decision by an Employee not to participate will not affect the Employee's employment with the Employer.
- (d) Notwithstanding any other provision of this Plan, with respect to any Non-423 Offering, the Company in its absolute discretion shall have the right to refuse any Employee the right of participation or continued participation in such Non-423 Offering at any time.

3.3 Limitations.

- (a) Notwithstanding anything herein to the contrary, a Participant in any 423 Offering may not accrue a right to purchase Common Shares at a rate that exceeds twenty-five thousand dollars (US\$25,000.00) per calendar year, determined in a manner consistent with Code Section 423(b)(8) and as described in paragraph (d) of this Section 3.3.
- (b) The limitation in Section 3.3(a) shall apply to the Participant's right to purchase Common Shares under any 423 Offering under the Plan and under all other employee share purchase plans described in Code Section 423 that are maintained by the Company and its Subsidiaries.
- (c) The dollar limitations in Section 3.3(a) apply to the Fair Market Value of Common Shares determined at the time the Purchase Right is granted.
- (d) Except as otherwise provided in this Plan, as of each Purchase Right Period, each Participant in such Purchase Right Period shall be granted automatically a purchase right consisting of an option to purchase the lesser of:

- (i) that number of whole Common Shares determined by dividing any applicable Dollar Limit, if any, approved for such Purchase Right Period by the Fair Market Value of a Common Share as of the first day of the Purchase Right Period for such period, or
- (ii) the applicable Share Limit as approved by the Committee for such Purchase Right Period.

The Committee may, in its discretion and prior to the beginning of each Purchase Right Period, (i) change the method of, or any of the foregoing factors in, determining the number of Common Shares subject to Purchase Rights to be granted with respect to such Purchase Right Period, (ii) specify a maximum aggregate number of Common Shares that may be purchased by all Participants during a Purchase Right Period or on any purchase date within a Purchase Right Period. No Purchase Right shall be granted to any person who is not, as of the commencement of a Purchase Right Period, an eligible Employee.

- (e) The maximum number of Common Shares that may be issuable to Insiders under the Plan, together with any other security based compensation plans, may not exceed 10% of the Company's total issued and outstanding shares.
- (f) The maximum number of Common Shares that may be issued to Insiders under the Plan, together with any other security based compensation plans, within a 12-month period, may not exceed 10% of the Company's total issued and outstanding shares.

3.4 Granting of Purchase Rights.

- (a) Once an Employee is enrolled as a Participant in accordance with Section 3.2 hereof, the Participant's contributions made in accordance with Section 3.2 result in a grant of a Purchase Right under this Plan.
- (b) The Purchase Right will be exercised in accordance with Section 4.2 hereof.
- (c) The price at which each share covered by a Purchase Right shall be exercised shall be established by the Committee but such price shall not be less than the lesser of:
 - (i) Eighty-five percent (85%) of the Fair Market Value of a Common Share on the first day of the applicable Purchase Right Period; or
 - (ii) Eighty-five percent (85%) of the Fair Market Value of a Common Share on the last day of that Purchase Right Period;

and such price will in no event be less than the price required under Code Section 423(b)(6).

3.5 Establishment of Accounts; Contributions to Accounts.

- (a) All amounts contributed by the Participant to the Plan (whether by means of payroll withholding or a lump sum advance contribution) will be deposited into a separate Account maintained for the Participant by the Company or Plan Broker.
- (b) No interest will be earned on those contributions.

- (c) A Participant may not withdraw any amounts from his or her Account without terminating his or her Purchase Right pursuant to Section 4.1 below.
- (d) The Company will be liable for the balance of the purchase price of the Common Shares on the Securities Exchange upon exercise of the Purchase Rights hereunder.

ARTICLE IV

Purchase Rights

4.1 Termination or Suspension of Participation.

- (a) A Participant may withdraw from the Plan at any time prior to the last day of the Purchase Right Period by submitting a notice of withdrawal to the Company. The Participant's Purchase Right shall terminate upon withdrawal from the Plan.
- (b) A Purchase Right shall terminate automatically if the Participant holding the Purchase Right ceases to be employed by the Company for any reason (including death, disability, or retirement) prior to the last day of the Purchase Right Period.
- (c) Upon the termination of a Purchase Right, all amounts held in the Participant's Account shall be refunded to the Participant, without interest.
- (d) The Participant or his or her executors or administrators, as the case may be, shall be responsible for ensuring compliance with the provisions of the Act in respect of the tax consequences resulting from any disposition, transfer or sale of Common Shares pursuant to the Plan, to the extent applicable.

4.2 Exercise of Purchase Rights.

- (a) Unless previously terminated, Purchase Rights will be exercised automatically on the last day of the Purchase Right Period. Purchases for purposes of delivering Common Shares to Participants will be made by the Company or Plan Broker either through the facilities of the Securities Exchange and at the prevailing market price of the Company's Common Shares on the Securities Exchange on the date of purchase in the open market, or through issuances of Common Shares by the Company from treasury. For the avoidance of doubt, the prevailing market price shall not determine the number of Common Shares to be delivered to Participants upon exercise of their Purchase Rights.
- (b) Except as provided in Section 3.2(b) above, payment for Common Shares to be purchased at the end of each Purchase Right Period may only be made from funds:
 - (i) deposited at the beginning of a Purchase Right Period; and/or
 - (ii) accumulated through payroll deductions made during the Purchase Right Period.
- (c) If the balance of the Participant's Account on the date of purchase exceeds the purchase price of the number of whole shares to be acquired, the surplus shall be applied to the next Purchase Right Period, unless the Company elects to distribute the remaining funds to the Participant or unless the Participant elects to receive a refund by submitting a form prescribed by the Company. No fractional Common Shares shall be purchased upon exercise of a Purchase Right.

- (d) Following the end of each Purchase Right Period, the number of Common Shares purchased by each Participant shall be deposited into an account established in the Participant's name at the Plan Broker, or otherwise transferred to or for the account of the Participant.
- (e) A Participant shall be free to make a disposition (as that term is defined in Code Section 424(c)) of the Common Shares in the Participant's account at the Plan Broker at any time, whether by sale, exchange, gift, or other transfer of legal title, but in the absence of such a disposition of the Common Shares, the Common Shares must remain in the Participant's account at the Plan Broker until the holding period set forth in Code Section 423(a) has been satisfied. With respect to Common Shares for which the holding period set forth in Code Section 423(a) has been satisfied, the Participant may move such Common Shares to another brokerage account of the Participant's choice or request that such Common Shares otherwise be transferred to or for the account of the Participant. (As of the effective date of this the Plan, the holding period set forth in Code Section 423(a) is the longer of: (i) two (2) years after the first day of the Purchase Right Period, and (ii) one (1) year after the last day of the Purchase Right Period during which the Common Shares were purchased by the Participant.)

4.3 Termination Event. The following provisions of this Section 4.3 shall apply, notwithstanding anything herein to the contrary.

- (a) A "**Termination Event**" shall be deemed to occur as a result of (i) a transaction in which the Company will cease to be an independent publicly-owned corporation, (ii) a sale or other disposition of all or substantially all of the assets of the Company, or (iii) elective termination of the Plan as approved by the Committee, in its discretion. Whether a Termination Event will occur will be determined by solely by the Committee, in its discretion.
- (b) The Purchase Right Period in which a Termination Event occurs shall terminate and all Purchase Rights shall be automatically exercised on a date selected by the Committee in its discretion which is within ten (10) business days preceding the Termination Event. In the case of a Termination Event described in Section 4.3(a)(i) or 4.3(a)(ii) above, for purposes of determining the amount under Section 3.4(c), the Fair Market Value of the Common Shares on the last day of the Purchase Right Period shall be deemed to be equal to the per share consideration received in the transaction by the holders of the Common Shares.

4.4 Non-Transferability of Purchase Rights. A Purchase Right may not be assigned or alienated.

ARTICLE V

Common Shares

5.1 Shares Subject to Plan.

- (a) The maximum number of Common Shares for which Purchase Rights may be granted under the Plan is 1,000,000 Common Shares, subject to adjustment pursuant to Section 5.2 below, provided that the number of Common Shares issuable from treasury pursuant to this Plan, together with all other equity compensation plans of the Company, shall not exceed 10% of the issued and outstanding Common Shares from time to time.

- (b) If any outstanding Purchase Right is terminated for any reason prior to its exercise and the purchase of Common Shares, the Common Shares allocable to the Purchase Right will again become available for purchase pursuant to the Plan.
- (c) The Common Shares for which Purchase Rights may be granted under the Plan shall be comprised of Common Shares that have been acquired by the Company or Plan Broker in the open market and Common Shares issued from treasury.

5.2 Adjustment Upon Changes in Capitalization. Subject to the provisions of Section 4.3 above, if the outstanding Common Shares are increased, decreased, or exchanged for different securities through reorganization, merger, consolidation, recapitalization, reclassification, share split, reverse share dividend, or other similar transaction, a proportionate adjustment shall be made by the Committee to the:

- (a) number, price and kind of shares subject to outstanding Purchase Rights; and
- (b) maximum number and kind of shares that are available for purchase on the open market under the Plan.

5.3 Proration of Purchase Rights. Should the total number of Common Shares to be purchased pursuant to outstanding Purchase Rights on any particular date exceed the number of shares then available for purchase on the open market under the Plan:

- (a) the Committee shall make a pro-rata allocation of the available shares on a uniform and nondiscriminatory basis; and
- (b) the amounts in each Participant's Account, to the extent in excess of the aggregate purchase price payable for the Common Shares pro-rated to such individual, shall be refunded to the Participant.

ARTICLE VI

Plan Administration

6.1 Administration.

- (a) The Plan shall be administered by the Committee. The Committee shall have authority to:
 - (i) interpret the Plan;
 - (ii) prescribe rules and procedures relating to the Plan;
 - (iii) approve Offering Documents for the 423 Component of the Plan and the Non-423 Component of the Plan setting forth the applicable specific duration of Purchase Right Periods, applicable purchase dates, Share Limits, Dollar Limits, eligibility criteria, and all other terms and conditions of participation in Purchase Right Periods, consistent with the terms of the Plan;
 - (iv) electively terminate the Plan and outstanding Purchase Right Periods, subject to Section 4.3; and
 - (v) take all other actions necessary or appropriate in connection with the administration of the Plan.

- (b) A majority of the members of the Committee shall constitute a quorum, and any action shall constitute the action of the Committee if it is authorized by a majority of the members present at any meeting or in writing without a meeting.
- (c) All decisions of the Committee shall be final and binding on all Participants.
- (d) No member of the Committee shall be liable for any action or inaction taken in good faith with respect to the Plan or any Purchase Right granted under it.

6.2 Indemnification.

- (a) To the maximum extent permitted by law, the Company shall indemnify each member of the Committee and each other member of the Board, as well as any other Employee with duties under the Plan, against expenses (including any amount paid in settlement or in satisfaction of a judgment) reasonably incurred by the individual in connection with any claims against the individual by reason of the performance of the individual's duties under the Plan. This indemnity shall not apply, however, if:
 - (i) it is determined in the action, lawsuit, or proceeding that the individual is guilty of gross negligence or intentional misconduct in the performance of those duties; or
 - (ii) the individual fails to assist the Company in defending against any such claim.
- (b) Notwithstanding the above, the Company shall have the right to select counsel and to control the prosecution or defense of the suit. Furthermore, the Company shall not be obligated to indemnify any individual for any amount incurred through any settlement or compromise of any action unless the Company consents in writing to the settlement or compromise.

ARTICLE VII Amendment, Suspension and Termination

7.1 Amendment, Suspension and Termination. Subject to Section 7.2, the Board may at any time and from time to time amend, suspend or terminate the Plan in whole or in part as approved by resolution of the Board, provided that no such amendment, suspension or termination shall deprive any Participant of any benefits that have accrued on or prior to the date thereof without the consent of the affected Participant. However, the preceding sentence shall not limit the ability of the Company to terminate the plan, in its discretion, in accordance with Section 4.3 above.

7.2 Shareholder Approval. The Shareholders must approve this Plan within twelve (12) months before or after its adoption by the Board. Thereafter, the Shareholders must approve any amendment to the Plan that relates to:

- (a) expanding the class of individuals eligible or a change in the definition of the corporations whose employees may be designated as eligible to participate in the Plan;
- (b) any amendment to remove or to exceed the Insider participation limits pursuant to Section **Error! Reference source not found.** and 3.3(f);

- (c) increasing the aggregate number of Common Shares for which Purchase Rights may be granted under the Plan pursuant to Section 5.1 (other than as a result of an adjustment in accordance with Section 5.2);
- (d) amending the allowable purchase price discount under the Plan, if applicable;
- (e) amendment to the employer matching contribution amount in Sections 3.4(c) and 3.5(d); or
- (f) amendment to the amending provisions of this Section 7.1 or Section 7.2.

ARTICLE VIII

Miscellaneous Matters

8.1 Uniform Rights and Privileges. The rights and privileges of all Participants in the 423 Component of the Plan shall be the same to the extent required by Section 423 of the Code.

8.2 Application of Funds. The funds received or withheld by the Company for the Participant's contributions under this Plan shall be credited to such Participant's Plan Account and shall be deposited with the general funds of the Company and may be used for any lawful corporate purpose.

8.3 Notice of Disqualifying Disposition. With respect to the 423 Component of the Plan, a U.S. Employee must notify the Company if the Participant disposes of Common Shares acquired pursuant to the Plan prior to the expiration of the holding period set forth in Code Section 423(a) through any means other than through the Plan Broker.

8.4 No Additional Rights.

- (a) Neither the adoption of this Plan nor the granting of any Purchase Right shall:
 - (i) affect or restrict in any way the power of the Company to undertake any corporate action otherwise permitted under applicable law; or
 - (ii) confer upon any Participant the right to continue to be employed by the Company, nor shall it interfere in any way with the right of the Company to terminate the employment of any Participant at any time, with or without cause.
- (b) No Participant shall have any rights as a Shareholder with respect to any shares covered by a Purchase Right granted to the Participant until the Common Shares are actually purchased and registered in the name of the Participant (or its designee).
- (c) No adjustments will be made for cash dividends or other rights for which the record date is prior to the purchase of the Common Shares.

8.5 Governing Law.

- (a) The Plan and all actions taken under it shall be governed by and construed in accordance with the laws of the Province of Ontario.
- (b) The provisions of the 423 Component of the Plan shall be interpreted in a manner that is consistent with this Plan satisfying the requirements of Code Section 423.

8.6 Compliance with Securities Law. Notwithstanding any provision to the contrary herein, the purchase and delivery of Common Shares under the Plan, as well as any subsequent sale or transfer thereof by a Participant, shall be subject to compliance with all applicable requirements of U.S. federal, state and foreign law (including Canadian federal and provincial law), and the requirements of the Securities Exchange, with respect to such securities. A Purchase Right may not be exercised if the purchase and delivery of Common Shares upon such exercise would constitute a violation of any applicable U.S. federal, state or foreign securities laws (including Canadian federal and provincial laws) or other law or regulations or the requirements of any securities exchange or market system upon which the Common Shares may then be listed. In addition, no Purchase Right may be exercised unless (a) a registration statement under the Securities Act shall at the time of exercise of the Purchase Right be in effect with respect to the shares delivered upon exercise of the Purchase Right, or (b) in the opinion of legal counsel to the Company, the shares delivered upon exercise of the Purchase Right may be delivered in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act. The Company shall have no obligation to effect any registration or qualification of the Common Shares under U.S. federal, state or foreign laws (including Canadian federal and provincial laws). The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful purchase and delivery of any Common Shares under the Plan shall relieve the Company of any liability in respect of the failure to purchase or deliver such Common Shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of a Purchase Right, the Company may require the Participant to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation, and to make any representation or warranty with respect thereto as may be requested by the Company.

8.7 Tax Withholding. The Company or the Plan Broker will have the right to: (a) withhold and deduct from any payment to be made under this Plan any federal, provincial, local or other taxes and other amounts required by law to be withheld in respect of such payments; and (b) sell any Common Shares held on behalf of any Participant and use the proceeds from such sale to pay federal, provincial, local or other taxes and other amounts required by law to be withheld in respect of any distribution to such Participant under this Plan. The Company may, but shall not be obligated to, withhold from the Participant's compensation the amount necessary to meet such withholding obligations.

8.8 Company Contributions Under the Act. With respect to the Non-423 Component of the Plan, Company contributions will be a taxable benefit to a Participant for purposes of the Act and will be reported as such by the Company.

8.9 Legends. The Company may at any time place legends or other identifying symbols referencing any applicable U.S. federal, state or foreign securities law restrictions (including Canadian federal and provincial law) or any provision convenient in the administration of the Plan on some or all of the certificates representing Common Shares purchased and delivered under the Plan. The Participant shall, at the request of the Company, promptly present to the Company any and all certificates or direct registration statements representing Common Shares acquired pursuant to a Purchase Right in the possession of the Participant in order to carry out the provisions of this Section 8.9. Unless otherwise specified by the Company, legends placed on such certificates may include but shall not be limited to the following:

"THE SHARES EVIDENCED BY THIS CERTIFICATE WERE ISSUED BY THE COMPANY TO THE REGISTERED HOLDER UPON THE PURCHASE OF SHARES UNDER AN EMPLOYEE STOCK PURCHASE PLAN AS DEFINED IN SECTION 423 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. THE TRANSFER AGENT FOR THE SHARES EVIDENCED HEREBY SHALL NOTIFY THE COMPANY IMMEDIATELY OF ANY TRANSFER OF THE SHARES BY THE REGISTERED HOLDER

HEREOF. THE REGISTERED HOLDER SHALL HOLD ALL SHARES PURCHASED UNDER THE PLAN IN THE REGISTERED HOLDER'S NAME (AND NOT IN THE NAME OF ANY NOMINEE)."

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR ENCUMBERED ONLY (A) UPON EFFECTIVE REGISTRATION OF THE SECURITIES UNDER THE 1933 ACT AND OTHER APPLICABLE SECURITIES LAWS COVERING SUCH SECURITIES, (B) TO THE CORPORATION, (C) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S ("REGULATION S") UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (D) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE 1933 ACT OR (2) RULE 144 UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (D)(2) OR (E) ABOVE, A LEGAL OPINION SATISFACTORY TO COUNSEL TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION OR THE TRANSFER AGENT, IF ANY.

THESE SECURITIES MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON CANADIAN STOCK EXCHANGES. IF THE CORPORATION IS A "FOREIGN ISSUER" WITHIN THE MEANING OF REGULATION S AT THE TIME OF TRANSFER, A NEW CERTIFICATE, BEARING NO LEGEND, MAY BE OBTAINED FROM THE TRANSFER AGENT OF THE CORPORATION, IF ANY, UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE CORPORATION AND THE TRANSFER AGENT OF THE CORPORATION AND, IF SO REQUIRED BY THE TRANSFER AGENT OF THE CORPORATION, AN OPINION OF COUNSEL, TO THE EFFECT THAT THE SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT."

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