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

**TO BE HELD ON JUNE 15, 2017**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**DATED MAY 18, 2017**

*These materials are important and require your immediate attention. They require shareholders of Titan Medical Inc. (the "**Corporation**") to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal or other professional advisors. If you have any questions or require more information with regard to voting your shares of the Corporation, please contact Computershare Trust Company of Canada at (416) 263-9200.*

**TITAN MEDICAL INC.**

170 University Avenue, Suite 1000  
Toronto, Ontario, Canada  
M5H 3B3

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

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of shareholders of Titan Medical Inc. (the “**Corporation**”) will be held at the offices of Borden Ladner Gervais LLP, Bay Adelaide Centre, East Tower, 22 Adelaide Street West, 34<sup>th</sup> Floor, Montreal/Ottawa Room, Toronto, ON M5H 4E3, on **Thursday, June 15, 2017** at 1:30 p.m., Toronto time, for the following purposes:

1. to receive and consider the financial statements of the Corporation for the fiscal year ended December 31, 2016, together with the report of the auditors thereon;
2. to consider, and if deemed advisable, approve the consolidation of the outstanding common shares of the Corporation on the basis of a ratio to be determined by the board of directors of the Corporation in its sole discretion, within a range of one post-consolidation common share for every 5 to 30 outstanding pre-consolidation common shares of the Corporation;
3. to elect directors of the Corporation;
4. to reappoint as auditors BDO Canada LLP, the incumbent auditors of the Corporation, and authorize the directors to fix the remuneration of the auditors; and
5. to transact such other business as may properly come before the Meeting or any adjournments thereof.

A copy of the information circular and form of proxy accompany this Notice.

Only shareholders of record as of May 9, 2017, the record date (the “**Record Date**”), are entitled to receive notice of the Meeting

The directors have fixed 5:00 p.m. on June 13, 2017 or the second last business day before any adjournment of the Meeting as the time before which proxies to be used at the Meeting (or any adjournment thereof) must be deposited with the Corporation or with Computershare Trust Company of Canada.

DATED the 18<sup>th</sup> day of May, 2017.

**By Order of the Board**

*(signed) David McNally*  
Chief Executive Officer  
Titan Medical Inc.



170 UNIVERSITY AVENUE, SUITE 1000, TORONTO, ONTARIO, CANADA M5H 3B3

**MANAGEMENT INFORMATION CIRCULAR**

**for the**

**Annual and Special Meeting of Shareholders**

**to be held on June 15, 2017**

**Dated May 18, 2017**

## INFORMATION CIRCULAR

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SCHEDULE "A" – Board of Directors Mandate

**TITAN MEDICAL INC.**  
**INFORMATION CIRCULAR**  
May 18, 2017

**INTRODUCTION**

**This Information Circular (the “Circular”) is furnished in connection with the solicitation by the management of Titan Medical Inc. (the “Corporation”) of proxies to be used at the annual and special meeting of shareholders (the “Meeting”) of the Corporation to be held at the offices of Borden Ladner Gervais LLP, Bay Adelaide Centre, East Tower, 22 Adelaide Street West, 34<sup>th</sup> Floor, Montreal/Ottawa Room, Toronto, ON M5H 4E3 at 1:30 p.m. (Toronto time) on Thursday, June 15, 2017 at the place and for the purposes set forth in the accompanying Notice of Meeting.** Except where otherwise indicated, this Circular contains information as of the close of business on May 18, 2017. It is expected that the solicitation will be primarily by mail but proxies may also be solicited personally by management of the Corporation at nominal cost. The cost of any such solicitation by management will be borne by the Corporation.

The Corporation may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting shares of the Corporation (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Circular and form of proxy to the beneficial owners of such shares. The Corporation will provide, without cost to such persons, upon request to the Secretary of the Corporation, additional copies of the foregoing documents required for this purpose.

**FORWARD-LOOKING STATEMENTS**

This Circular contains certain forward-looking statements with respect to the Corporation based on assumptions that management of the Corporation considered reasonable at the time they were prepared. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements.

**INFORMATION CONTAINED IN THIS CIRCULAR**

No person has been authorized to give information or to make any representations in connection with the matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representations should not be relied upon in making a decision as to how to vote on the resolutions or be considered to have been authorized by the Corporation or the Board of Directors (the “**Board**” or “**Board of Directors**”) of the Corporation.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities. This Circular also does not constitute the solicitation of a proxy by any person in any jurisdiction in which such a solicitation is not authorized or in which the person making such a solicitation is not qualified to do so or to any person to whom it is unlawful to make such a solicitation.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection with the Meeting.

## GENERAL PROXY MATTERS

### APPOINTMENT, TIME FOR DEPOSIT AND REVOCABILITY OF PROXY

Shareholders of the Corporation are either registered or non-registered. Registered shareholders typically hold shares of the Corporation in their own names because they have requested that their shares be registered in their names on the records of the Corporation rather than holding such shares through an intermediary (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans). Most shareholders are non-registered because their shares are registered in the name of either (a) an intermediary with whom the non-registered shareholder deals in respect of their shares, or (b) a clearing agency (such as The Canadian Depository for Securities Limited) of which the intermediary is a participant.

Only registered shareholders or duly appointed proxyholders will be permitted to vote at the Meeting. Non-registered shareholders may vote through a proxy or attend the Meeting to vote their own shares only if, before the Meeting, they communicate instructions to the intermediary or clearing agency that holds their shares. Instructions for voting through a proxy, appointing a proxyholder and attending the Meeting to vote are set out in this Circular.

A shareholder may receive multiple packages of Meeting materials if the shareholder holds shares of the Corporation through more than one intermediary or if the shareholder is both a registered shareholder and a non-registered shareholder for different shareholdings. Any such shareholder should repeat the steps to vote through a proxy, appoint a proxyholder or attend the Meeting, if desired, separately for each shareholding to ensure that all the shares from the various shareholders are represented and voted at the meeting.

In accordance with National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer, (i) the Corporation has elected to send the meeting materials indirectly to beneficial owners, and (ii) the Corporation will pay for intermediaries to forward the meeting materials to objecting beneficial owners.

### VOTING BY PROXY

Shareholders who are unable to be present at the Meeting may vote through the use of proxies. Shareholders should convey their voting instructions using one of the two voting methods available: (1) use of the form of proxy or voting instruction form to be returned by mail, delivery or facsimile, or (2) use of the Internet voting procedure. By conveying voting instructions in one of the two ways, shareholders can participate in the Meeting through the person or persons named on the voting instruction form or form of proxy.

To convey voting instructions through any of the two methods available, a shareholder must locate the voting instruction form or form of proxy, one of which is included with the Circular in the package of Meeting materials sent to all shareholders. The voting instruction form is a white, computer scanable document with red squares marked "X" (the "**voting instruction form**") and is sent to most non-registered shareholders. The form of proxy is a form headed "Form of Proxy" (the "**form of proxy**") and it is sent to all registered shareholders and a small number of non-registered shareholders.

### MAIL

A shareholder who elects to use the paper voting procedure should complete a voting instruction form or a form of proxy. If the form of proxy is already signed, do not sign it again. Complete the remainder of the voting instruction form or form of proxy. Ensure that you date and sign the form at the bottom. Completed voting instruction forms should be returned to the relevant intermediary in the envelope provided and should be received by the cut-off date shown on the voting instruction form. Completed forms of proxy should be returned in the envelope provided to the Corporation's transfer agent and registrar, Computershare Trust Company of Canada ("**Computershare**"), 100 University Avenue, 11<sup>th</sup> Floor, South Tower, Toronto, Ontario, M5J 2Y1 or by hand to: 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 no later than 5:00 p.m. (Toronto time) on June 13, 2017 (or the second last business day preceding any adjournment of the Meeting).

**FAX**

A shareholder who elects to use the facsimile voting procedure should complete a voting instruction form or a form of proxy. If the form of proxy is already signed, do not sign it again. Complete the remainder of the voting instruction form or form of proxy. Ensure that you date and sign the form at the bottom. Completed voting instruction forms should be faxed to the relevant intermediary at the number provided and should be received by the cut-off date shown on the voting instruction form. Completed forms of proxy should be returned by fax to Computershare at (416) 263-9261 no later than 5:00 p.m. (Toronto time) on June 13, 2017 (or the second last business day preceding any adjournment of the Meeting).

**INTERNET**

Shareholders may convey their voting instructions through the Internet. The relevant website address is set out on the voting instruction form and form of proxy. Follow the instructions given through the Internet to cast your vote. When instructed to enter your Web Voting ID Number, refer to your voting instruction form or your form of proxy. Votes conveyed by the Internet must be received no later than the cut-off time given on the voting instruction form or the form of proxy.

**APPOINTING A PROXYHOLDER**

Shareholders unable to attend the Meeting in person may participate and vote at the Meeting through a proxyholder. The persons named on the enclosed form of proxy as proxyholders to represent shareholders at the Meeting, being David McNally and Martin Bernholtz, are directors and/or officers of the Corporation. **A shareholder has the right to appoint a person or company instead of those named above to represent such shareholder at the Meeting. A non-registered shareholder who would like to attend the Meeting to vote must arrange with the intermediary to have himself or herself appointed as the proxyholder.** To appoint a person or company instead of David McNally or Martin Bernholtz as proxyholder, strike out the names on the voting instruction form or form of proxy and write the name of the person you would like to appoint as your proxyholder in the blank space provided. That person need not be a shareholder of the Corporation.

Non-registered shareholders appointing a proxyholder using a voting instruction form should fill in the rest of the form indicating a vote “for”, “against” or “withhold”, as the case may be, for each of the proposals listed, sign and date the form and return it to the relevant intermediary or clearing agency in the envelope provided or by facsimile by the cut-off time given on the form. Proxyholders named on a signed form of proxy will be entitled to vote at the Meeting upon presentation of the form of proxy. No person will be entitled to vote at the Meeting by presenting a voting instruction form.

Alternatively, any shareholder may use the Internet to appoint a proxyholder. To use this option, access the website address printed on the voting instruction form or form of proxy and follow the instructions set out on the website. Refer to the control number or holder account number and proxy access number printed on the voting instruction form or form of proxy when required to enter these numbers.

**REVOCAION OF VOTING INSTRUCTIONS OR PROXIES**

Voting instructions submitted by mail, facsimile or through the Internet using a voting instruction form will be revoked if the relevant intermediary receives new voting instructions before the close of business on June 13, 2017 (or the second last business day before any adjournment of the Meeting).

Proxies submitted by mail, facsimile or through the Internet using a form of proxy may be revoked by submitting a new proxy to Computershare before 5:00 p.m. (Toronto time) on June 13, 2017 or the second last business day before any adjournment of the Meeting. Alternatively, a shareholder who wishes to revoke a proxy may do so by depositing an instrument in writing to such effect addressed to the attention of the Corporation’s Chief Financial Officer and executed by the shareholder or by the shareholder’s attorney authorized in writing. Such an instrument must be deposited at the registered office of the Corporation, located at 170 University Avenue, Suite 1000, Toronto, Ontario, M5H 3B3, before the close of business on June 13, 2017, or the second last business day before any

adjournment of the Meeting. On the day of the Meeting or any adjournment thereof, a shareholder may revoke a proxy by depositing an instrument in writing to such effect with the chair of the Meeting; however, it will not be effective with respect to any matter on which a vote has already been cast.

In addition, a proxy may be revoked by any other manner permitted by law.

#### **VOTING OF PROXIES**

**The persons named in the enclosed form of proxy will vote, or withhold from voting, the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, such shares will be voted for the election of directors and for the appointment and remuneration of auditors as stated under the relevant headings in this Circular.** The enclosed form of proxy confers discretionary authority upon the persons named therein to exercise their judgement and to vote with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date hereof, the management of the Corporation knows of no such amendments or variations or of any other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

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

On May 18, 2017, the Corporation had outstanding 188,238,646 common shares, each carrying the right to one vote per share. Shareholders registered on the books of the Corporation (or their respective proxies) at the close of business on May 9, 2017 (the “**Record Date**”) are entitled to vote at the Meeting, except to the extent that a registered shareholder transfers any of such shareholder’s shares after May 9, 2017, and the transferee of such shares produces properly endorsed share certificates or otherwise establishes that such shareholder owns such shares and demands, not later than 10 days before the Meeting, that such shareholder’s name be included in the list of shareholders entitled to vote at the Meeting.

As at May 9, 2017, to the knowledge of the directors and senior officers of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises control or direction over greater than 10% of the common shares of the Corporation.

#### **CURRENCY**

All amounts are in U.S. dollars other than amounts based on share price values which are in Canadian dollars.

## BUSINESS OF THE MEETING

### FINANCIAL STATEMENTS

The directors will place before the Meeting the financial statements for the year ended December 31, 2016 together with the auditors' report thereon. The financial statements will have already been mailed to shareholders that have requested them and are also available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.titanmedicalinc.com](http://www.titanmedicalinc.com). No vote by shareholders with respect to the financial statements is required or proposed to be taken.

### SHARE CONSOLIDATION

At the Meeting, shareholders will be asked to consider, and if deemed advisable, approve, the special resolution authorizing an amendment to the Corporation's articles to consolidate the issued and outstanding common shares (the "**Share Consolidation Resolution**"). The Board of Directors believes that, in anticipation of a listing to a US stock exchange, it is in the best interests of the Corporation to consolidate the issued and outstanding common shares (the "**Common Shares**") of the Corporation based on a ratio of one post-consolidation common share for each 5 to 30 outstanding pre-consolidation Common Shares (the "**Share Consolidation**"), with the precise ratio to be determined by the Board of Directors in its sole discretion. If the Share Consolidation Resolution is approved, the Share Consolidation would only be implemented, if at all, upon a determination by the Board of Directors that it is in the best interests of the Corporation and its Shareholders, at that time. The Board of Directors' selection of the specific ratio will be based primarily on the price of the Common Shares at the given time and expected stability of that price following the Share Consolidation.

If the proposed Share Consolidation is implemented, the number of Common Shares issued and outstanding will be reduced from approximately 188,238,646 Common Shares (as of May 18, 2017) to between approximately 6,274,622 (in the event of a 30 to 1 consolidation) and 37,647,729 (in the event of a 5 to 1 consolidation) Common Shares, depending on the ratio selected by the Corporation's Board of Directors.

The effect of the proposed Share Consolidation on the Corporation's outstanding securities exchangeable or exercisable for Common Shares is set out in the table below.

Type of Security	Pre-Share Consolidation (#)	Post-Share Consolidation	
		Based on 5:1 Share Consolidation (#)	Based on 30:1 Share Consolidation (#)
<b>Warrants</b>			
Warrants issued March 13, 2013 and expiring March 13, 2018	5,260,705	1,052,141	175,357
Warrants issued November 16, 2015 and expiring November 16, 2020	7,012,195	1,402,439	233,740
Warrants issued February 12, 2016 and February 23, 2016 and expiring February 12, 2021	13,347,607	2,669,522	444,920

Type of Security	Pre-Share Consolidation (#)	Post-Share Consolidation	
		Based on 5:1 Share Consolidation (#)	Based on 30:1 Share Consolidation (#)
Warrants issued March 31, 2016 and April 14, 2016 and expiring March 31, 2021	17,313,181	3,462,636	577,106
Warrants issued September 20, 2016 and October 27, 2016 and expiring September 20, 2021	19,113,333	3,822,667	637,111
Warrants issued March 16, 2017 and expiring March 16, 2019	10,473,600	2,094,720	349,120
Warrants issued March 16, 2017 and expiring March 16, 2021	10,733,600	2,146,720	357,787
Broker Compensation Warrants	7,022,477	1,404,495	234,083

No fractional Common Shares will be issued in connection with the Share Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional common share, upon such Share Consolidation, the number of Common Shares to be received by such Shareholder will be rounded up or down to the nearest whole number.

Upon the Share Consolidation becoming effective, the number of Common Shares issuable upon the due exercise of outstanding Warrants of the Corporation and the exercise price in respect thereof shall be adjusted in accordance with the terms of such Warrants set forth in the certificate and any warrant indenture governing the Warrants. No further action by the holders of Warrants shall be required in order to give effect to these adjustments.

The Share Consolidation is subject to regulatory approval, including approval of the Toronto Stock Exchange (“TSX”), at the time of the proposed consolidation. As a condition to the approval of a consolidation of shares listed for trading on the TSX, the TSX requires, among other things, that the Corporation must meet, post-consolidation, the continued listing requirements contained in Part VII of the TSX Company Manual. Specifically, the Corporation’s securities may be delisted if (a) the market value of listed issued securities is less than \$3,000,000 over any period of 30 consecutive trading days; or (b) the market value of the Corporation’s freely-tradable, publicly held securities is less than \$2,000,000 over any period of 30 consecutive trading days; or (c) the number of freely-tradable, publicly held securities is less than 500,000; or (d) the number of public security holders, each holding a board lot or more, is less than 150.

If the Share Consolidation Resolution is approved, the Board of Directors will determine when and if the articles of amendment giving effect to the Share Consolidation would be filed, and shall determine the share consolidation ratio. No further action on the part of shareholders would be required in order for the Board of Directors to implement the Share Consolidation.

Notwithstanding approval of the proposed Share Consolidation by Shareholders, the Board of Directors, in its sole discretion, may delay implementation of the Share Consolidation or revoke the Share Consolidation Resolution and abandon the Share Consolidation without further approval or action by or prior notice to Shareholders.

**If the Board of Directors does not implement the Share Consolidation prior to the next annual meeting of shareholders, the authority granted by the special resolution to implement the Share Consolidation on these terms would lapse and be of no further force or effect.**

### *Reasons for the Share Consolidation*

The Board of Directors believes that it is in the best interests of the Corporation and the Corporation's shareholders to reduce the number of outstanding Common Shares by way of the Share Consolidation, because it may be required as a condition to listing the Corporation's securities on a recognized United States based stock exchange (a "**US Exchange**") and also position the Common Shares in the best possible manner to attract investor interest from the United States, Canada and other jurisdictions.

### *Listing on US Exchange*

The Corporation plans to explore its eligibility for a listing of the Common Shares on a foreign stock exchange, and may be required to effect a consolidation of the Common Shares to achieve the minimum share trading price required to satisfy the listing requirements of a foreign exchange. The trading price of the Common Shares on the TSX is currently below the minimum price required by certain foreign stock exchanges and the proposed Share Consolidation, if implemented, may allow the Corporation to achieve such minimum listing price.

The Board of Directors of the Corporation believes that shareholder approval of a range of potential consolidation ratios (rather than a single consolidation ratio) provides the Board of Directors with flexibility to achieve the desired results of the Share Consolidation, being an increase in the trading price of the Common Shares so as to meet the minimum listing price of certain foreign stock exchanges.

**There can be no assurances whatsoever that any increase in the market price per common share will result from the proposed Share Consolidation and there is no assurance whatsoever that the Corporation will submit an application for listing on any foreign stock exchange, or if an application is made, that the Corporation will be successful in achieving such a listing if the proposed Share Consolidation is implemented.**

### *Share Certificates*

If the proposed Share Consolidation is approved by the shareholders and all regulatory requirements are complied with, including the Corporation obtaining approval of the TSX, and implemented by the Board of Directors no later than one year from the date of approval of the Share Consolidation by the shareholders, following the announcement by the Corporation of the effective date of the Share Consolidation, registered Shareholders will be sent a transmittal letter by the Corporation's transfer agent, Computershare Trust Company of Canada, containing instructions on how to exchange their share certificates representing pre-consolidation Common Shares for new share certificates representing post-consolidation Common Shares. Non-registered shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Share Consolidation than those that will be put in place by the Corporation for the registered shareholders. If you hold your Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

## **RISK FACTORS ASSOCIATED WITH THE SHARE CONSOLIDATION**

### *Decline in Market Capitalization*

There are numerous factors and contingencies that could affect the prices of pre-consolidation Common Shares and the post-consolidation Common Shares, including the Corporation's reported financial results in future periods, and general economic, geopolitical, stock market and industry conditions. Accordingly, the market price of the post-

consolidation Common Shares may not be sustainable at the direct arithmetic result of the Share Consolidation, and may be lower. If the market price of the post-consolidation Common Shares is lower than it was before the Share Consolidation on an arithmetic equivalent basis, the Corporation's total market capitalization (the aggregate value of all Common Shares at the then market price) after the Share Consolidation may be lower than before the Share Consolidation.

***Potential for Adverse Effect on the Liquidity of the Common Shares***

If the Share Consolidation is implemented and the market price of the post-consolidation Common Shares declines, the percentage decline may be greater than would occur in the absence of the Share Consolidation. The market price of the post-consolidation Common Shares will, however, also be based on the Corporation's performance and other factors, which are unrelated to the number of Common Shares outstanding. Furthermore, the liquidity of the post-consolidation Common Shares could be adversely affected by the reduced number of consolidated Common Shares that would be outstanding after the Share Consolidation.

***No Fractional Shares to be Issued***

No fractional consolidated Common Shares will be issued in connection with the Share Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional consolidated share upon the Share Consolidation, such fraction will be rounded up or down to the nearest whole number.

***Effects of the Share Consolidation on the Common Shares***

The Consolidation Ratio will be the same for all Common Shares. Except for any variances attributable to the rounding up and down of fractional shares, the change in the number of issued and outstanding Common Shares that will result from the Share Consolidation will cause no change in the capital attributable to the Common Shares and will not materially affect any shareholder's percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of consolidated Common Shares.

The Share Consolidation will not materially affect any shareholder's proportionate voting rights. Each consolidated common share outstanding after the Share Consolidation will have the same rights and privileges as the existing Common Shares.

The implementation of the Share Consolidation would not affect the total shareholders' equity of the Corporation or any components of Shareholders' equity as reflected on the Corporation's financial statements except to change the number of issued and outstanding Common Shares to reflect the Share Consolidation.

***Procedure for Implementing the Share Consolidation***

If the Share Consolidation Resolution is approved by the shareholders and the Board of Directors decides to implement the Share Consolidation, the Corporation will file articles of amendment with the Director under the *Business Corporations Act* (Ontario) ("OBCA") in the form prescribed by the OBCA to amend the Corporation's articles. The Share Consolidation will become effective as specified in the articles of amendment and the certificate of amendment issued by the Director under the OBCA.

***No Dissent Rights***

Under the OBCA, shareholders do not have dissent and appraisal rights with respect to the proposed Share Consolidation.

***Tax Considerations***

SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE SHARE CONSOLIDATION TO THEM, INCLUDING THE EFFECTS OF ANY CANADIAN OR U.S. FEDERAL, STATE AND LOCAL, FOREIGN AND OTHER TAX LAWS.

***Share Consolidation Resolution***

Shareholders will be asked to consider and, if thought advisable, to authorize and approve the Share Consolidation Resolution. Pursuant to the provisions of the OBCA, in order to be effective, the Share Consolidation Resolution must be approved by 66 2/3% of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting.

The following is the text of the Share Consolidation Resolution which will be put forward for approval by the Shareholders at the Meeting:

**“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

- (a) Pursuant to section 168(1)(h) of the Business Corporations Act (Ontario) (the “OBCA”), the Articles of Titan Medical Inc. (the “Corporation”) be amended to consolidate all of the issued and outstanding common shares of the Corporation (the “Common Shares”) on the basis of a ratio of one (1) post-consolidation Common Share for a number of outstanding pre-consolidation Common Shares between 5 and 30, with such ratio to be determined by the Board of Directors in its sole discretion. Any resulting fractional Common Shares shall be either rounded up or down to the nearest whole Common Share;
- (b) The Board of Directors of the Corporation be and it is hereby authorized to revoke, without further approval of the Shareholders, this special resolution at any time prior to the completion thereof, notwithstanding the approval by the Shareholders of same, if determined, in the Board of Directors’ sole discretion to be in the best interest of the Corporation; and
- (c) Any director or officer of the Corporation be and is hereby authorized to do all such further acts and things and execute all such documents and instruments as may be necessary or desirable to give effect to the matters contemplated by this special resolution, including but not limited to, the filing of articles of amendment under the OBCA.”

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote at the Meeting IN FAVOUR of the Share Consolidation Resolution.**

***Recommendation of the Board***

**The Board of Directors believes that the proposed Share Consolidation of the Common Shares is in the best interests of the Corporation and its shareholders and unanimously recommends that shareholders vote IN FAVOUR of the Share Consolidation Resolution.**

**ELECTION OF DIRECTORS**

The Corporation currently has four (4) directors, each of whom is being nominated for re-election at the Meeting. All directors are elected annually. **Unless such authority is withheld, the person named in the enclosed form of proxy intends to vote for the election of the nominees whose names are set forth below. Management does not contemplate that any of the nominees 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 enclosed form of proxy reserve the right to vote for another nominee in their discretion.** Each director elected will hold office until the next annual meeting or until his office is earlier vacated in accordance with the by-law of the Corporation.

## MAJORITY VOTING POLICY

The board of directors has adopted a majority voting policy to the effect that if a director nominee in an uncontested election receives a greater number of votes “withheld” than votes “for”, he or she must immediately tender his or her resignation to the board of directors. The Corporate Governance and Nominating Committee will consider the director’s offer to resign and make a recommendation to the board of directors whether to accept it or not. The board of directors shall accept the resignation unless there are exceptional circumstances, and the resignation will be effective when accepted by the board of directors. The board of directors shall make its final determination within 90 days after the date of the shareholder meeting and promptly announce that decision (including, if applicable, the exceptional circumstances for rejecting the resignation) in a news release. A director who tenders his or her resignation pursuant to the majority voting policy will not participate in any meeting of the board of directors or the Corporate Governance and Nominating Committee at which the resignation is considered. The majority voting policy does not apply to the election of directors at contested meetings; that is, where the number of directors nominated for election is greater than the number of seats available on the board of directors.

## NOMINEES FOR ELECTION AS DIRECTORS

The Board of Directors has determined that the number of directors to be elected at the meeting is six. The following table and the notes thereto set out the names of all the persons proposed to be nominated for election as directors, their principal occupation, the date on which each became a director of the Corporation and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at May 18, 2017 as well as information concerning committee membership. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed or his office is otherwise vacated.

Name and Place of Residence	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
<b>Martin C. Bernholtz</b> <sup>(2)(3)(5)</sup> Thornhill, Ontario, Canada	Vice President, Finance of Kerbel Group Inc. (construction and land development)	2008	1,571,500
<b>John E. Barker</b> <sup>(2)(3)(5)</sup> Burlington, Ontario, Canada	Director and Chair of the Audit Committee of Ecosynthetix (renewable chemicals)	2009	250,632
<b>David J. McNally</b> Salt Lake City, UT, USA	President and Chief Executive Officer of the Corporation	2017	20,000
<b>Stephen Randall</b> Toronto, Ontario, Canada	Chief Financial Officer and Corporate Secretary of the Corporation	NA	197,307
<b>John E. Schellhorn</b> <sup>(4)</sup> Portsmouth, NH, USA	Corporate Officer (medical)	NA	0
<b>Dr. Bruce Giles Wolff</b> <sup>(2)(3)(5)</sup> Rochester, Minnesota, USA	Professor of Surgery, Mayo Clinic College of Medicine and Emeritus Chair of the Division of Colon & Rectal Surgery, Mayo Clinic (medical)	2014	17,552

Notes:

- (1) The information as to Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.

- (2) Member of the Audit Committee of the Corporation.
- (3) Member of the Compensation Committee of the Corporation.
- (4) Subject to acceptance by the TSX.
- (5) Member of the Governance Committee of the Corporation.

### ***Biographies of Director Nominees***

The following are brief biographies of each of the nominees for director:

#### *Martin C. Bernholtz – Chairman of the Board and Director*

Mr. Martin Bernholtz, BBA, CPA, CA is the Chief Financial Officer of Kerbel Group Inc. (since 1987), an integrated Construction and Land Development Company. In this capacity he is responsible for strategy, finance, accounting, taxation and personnel. Mr. Bernholtz has considerable business experience in real estate, finance and public markets. Mr. Bernholtz graduated with a Bachelor degree in Business Administration from York University in 1981 and became a Chartered Accountant in 1984. While in practice at Laventhol & Horwath and at BDO Dunwoody, he practiced in the Business Valuation, Litigation Support and Strategy areas.

#### *John E. Barker – Director*

Mr. Barker is a finance professional with general management experience. Mr. Barker previously acted as the Senior Vice President of Finance, Chief Financial Officer and in other senior executive positions at Zenon Environmental Inc., a Toronto Stock Exchange listed company, from 2000 to 2006. He was responsible for managing the finance and information technology of over 35 subsidiary companies in 25 different countries. During his career, Mr. Barker has held senior positions in finance and operations as well as overseeing human resources, information technology and procurement. Mr. Barker currently sits as a director, and Chair of the Audit Committee of Ecosynthetix Inc., a TSX listed company. Mr. Barker is a Fellow of the Chartered Professional Accountants of Canada and holds the FCMA designation.

#### *David J. McNally – President and Chief Executive Officer, Director*

Mr. McNally is the President and Chief Executive Officer of the Corporation. Mr. McNally joined Titan after serving as the founder, President, CEO and Chairman of the Board of Domain Surgical Inc., founded in 2009 and based in Salt Lake City, Utah. Mr. McNally brings substantial experience in areas of extraordinary leadership skills with all facets of building innovative medical device companies including clinically-focused product design and development, capital formation, regulatory clearance, and commercialization. Mr. McNally earned an MBA from the University of Utah, holds a Bachelor of Science degree in Mechanical Engineering from Lafayette College, Easton, PA and is the co-inventor of more than 30 U.S. and international patents associated with ferromagnetic surgical devices and systems, electromagnetic and ultrasonic sensors, and medical fluid delivery systems.

#### *Stephen Randall – Chief Financial Officer and Corporate Secretary*

Mr. Randall is the Chief Financial Officer and Corporate Secretary of the Corporation. Mr. Randall joined Titan in March 2010. Prior to that he was an independent consultant/contract CFO for seven years and prior to that he was Senior Vice President and Chief Financial Officer of Expertech Network Installation Inc., a subsidiary of Bell Canada. Mr. Randall provides a wealth of experience, as a senior financial executive, obtained from both private and public company experience. Mr. Randall is a CPA, CGA with a BA from the University of Western Ontario and a Bachelor of Commerce degree from the University of Windsor.

#### *John E. Schellhorn - Director*

Mr. Schellhorn is a 32-year veteran of the medical technology industry, where he has held senior management roles in both the US and in Asia/Pacific. From 2012 to 2016, he was President and CEO of Monteris Medical Inc., a Canadian neurosurgery company which employed the world's first MRI compatible robot. From 2010 to 2012 he was Chief Commercialization Officer of BÂRRX Medical, Inc. His other assignments have included CEO of

Softscope Medical Technologies and V.P./GM International, ACMI, Inc., and various management positions within Boston Scientific, including Director of Sales and Marketing, Asia/Pacific; General Manager, Australia; and Vice President of Sales for the Microvasive Urology division. He earned a B.A, Summa Cum Laude, from C.W. Post College, Long Island University, Greenvale, N.Y. Prior to his commercial career, he served seven years as a U.S. Marine Corps officer and helicopter pilot.

*Bruce Giles Wolff – Director*

Dr. Bruce Giles Wolff, M.D., is a Professor of Surgery at Mayo Clinic College of Medicine and Emeritus Chair of the Division of Colon & Rectal Surgery at Mayo Clinic in Rochester, Minnesota. Dr. Wolff has been a member of the Mayo Clinic’s Surgical Administrative Committee since 2006. Dr. Wolff is continuing his association with Mayo Clinic, on a reduced surgical schedule, and is the Executive Director for the American Board of Colon and Rectal Surgery. Dr. Wolff has written extensively on colon and rectal surgery issues in over 300 articles for publications such as The American Journal of Surgery, the Canadian Journal of Surgery, the World Journal of Surgery, Mayo Clinic Proceedings, the American Surgeon, the Journal of Gastrointestinal Surgery, Diseases of the Colon & Rectum, Annals of Surgery and the British Journal of Surgery. Dr. Wolff received his M.D. from Duke University School of Medicine and interned and completed his residency at the New York Hospital Cornell Medical Centre. He received a fellowship from the Mayo Clinic in 1981-82 and since then he has taught and practiced medicine at the Mayo Clinic.

***Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

To the knowledge of the Corporation, none of the persons nominated for election as directors at the Meeting: (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**Order**”) that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the person 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, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the person.

To the knowledge of the Corporation, none of the persons nominated for election as directors at the Meeting, nor any personal holding company thereof owned or controlled by them: (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

***Interest of Management and Others in Material Transactions***

No proposed director of the Corporation or informed person, or any associate or affiliate of a proposed director of the Corporation or informed person has any material interest, direct or indirect, in any transaction in which the Corporation has participated since the commencement of the Corporation’s most recently completed financial year, or in any proposed transaction which has materially affected or will materially affect the Corporation.

## STATEMENT OF EXECUTIVE COMPENSATION

### *Named Executive Officers*

The Corporation had five Named Executive Officers in 2016, being:

- (1) John T. Hargrove, Chair and Chief Executive Officer
- (2) John E. Barker, Interim Chief Executive Officer
- (3) Reiza Rayman, President
- (4) Stephen Randall, Chief Financial Officer and Secretary
- (5) Dennis Fowler, Executive Vice President, Clinical and Regulatory Affairs
- (6) James Shore, Director, Quality Assurance/Regulatory Affairs

(collectively, the “**Named Executive Officers**” or “**NEO**”).

### *Compensation Discussion and Analysis*

The Board of Directors is responsible for evaluating compensation for Named Executive Officers including the Chief Executive Officer, the President, the Chief Financial Officer, the Executive Vice President, Clinical and Regulatory Affairs and the Director, Strategic Development & IP, and reviewing their salaries and any bonuses on an annual basis. The Chief Executive Officer and the President are responsible for evaluating and reviewing the salaries and bonuses of all other officers, employees and consultants of the Corporation. While the Board of Directors of the Corporation has not adopted a written policy concerning the compensation of executive officers, it has developed a consistent approach and philosophy relating to executive compensation. The overriding principles in the determination of executive compensation are the need to provide total compensation packages that will attract and retain qualified and experienced executives, reward the executives for their contribution to the overall success of the Corporation and integrate the longer term interest of the executives with the investment objectives of the Corporation’s shareholders.

During the year the Corporation had only six executive officers, and places primary importance on the talent of these employees to manage and grow the Corporation. Based on the size of the Corporation and its relatively small number of employees, the Corporation’s executives are required to be multi-disciplined, self-reliant and highly experienced. In determining specific compensation amounts for the Chief Executive Officer, the President, the Chief Financial Officer, the Executive Vice President, Clinical and Regulatory Affairs and the Director, Strategic Development & IP, the Board of Directors considers factors such as experience, individual performance, length of service, role in achieving corporate objectives, positive research and development results, stock price and compensation compared to other employment opportunities for executives.

The Corporation is an early-stage company engaged in the development and commercialization of robotic surgical technologies. As the Corporation is in the product development stage, it cannot rely on revenues from its operations to finance its activities and advance its goals. Consequently the Corporation looks to raising the requisite capital to finance such activities through equity financings, which are influenced by the financial market’s assessment of the Corporation’s overall enterprise value and its prospects. These in turn are influenced, to a great extent, by the results of its research and development activities and progress in commercializing robotic surgical technologies. The contribution that each of the Chief Executive Officer, the President, the Chief Financial Officer, the Executive Vice President, Clinical and Regulatory Affairs and the Director, Strategic Development & IP make to this endeavour, on a subjective analysis by the Compensation Committee and the Board of Directors at the end of each fiscal year, is the primary factor in determining aggregate compensation. In considering such contribution, the Board of Directors considers various factors, including, among other things, (i) the ongoing and progressive development of the Corporation’s robotic surgical technology; (ii) the identification and attainment of appropriate milestones that adequately reflect the ongoing development of the Corporation’s robotic surgical technology, (iii) the formation and development of key partnerships with leading academic and research organizations through which

the Corporation's products can be tested, and (iv) the recruitment, management and retention of qualified technical and other personnel, among other things.

Executive compensation consists of base salary and may include cash bonuses and incentive stock options. In establishing compensation, the Board of Directors attempts to pay competitively in the aggregate as well as deliver an appropriate balance between annual compensation (base salary and cash bonuses) and option based compensation (incentive stock options).

The role of the Compensation Committee in recommending to the Board the compensation for Named Executive Officers is described under "*Compensation and Compensation Committee*".

The decisions in respect of each individual compensation element are taken into account in determining each other compensation element to ensure a Named Executive Officer's overall compensation is consistent with the objectives of the compensation program while considering that not all objectives are applicable to each Named Executive Officer.

The Compensation Committee did not follow a formal practice to consider the implications of the risks associated with the Corporation's compensation policies and practices in 2016.

The Corporation has established a stock option plan for officers, directors, employees and service providers of the Corporation, prepared in compliance with the requirements of the TSX, which is administered by the Board of Directors. The purpose of the Corporation's stock option plan is to advance the interests of the Corporation by closely aligning the participants' personal interests with those of the Corporation's shareholders generally. Subject to the provisions of the stock option plan, the Board of Directors determines and designates from time to time the optionees to whom options are to be granted, the number of Common Shares to be optioned and the other terms and conditions of the stock option grant. The Board of Directors considers factors such as individual performance, the significance of individual contribution to the success of the Corporation, experience, and length of service in determining the amounts of options awarded.

### ***Compensation Committee***

The awarding of all compensation including option-based awards is subject to the discretion of the Compensation Committee and Board, exercised annually, as more fully described herein, and is at risk and not subject to any minimum amount. Furthermore, if the Compensation Committee determines that the compensation of the Corporation for certain executives and other personnel, including option-based awards, is low compared to comparable companies, the Compensation Committee may determine to grant option-based awards to assist the Corporation in retaining and attracting key executive talent and to further align the compensation of the executive officers and other key employees with long-term interests of shareholders. The Compensation Committee and the Board also have the discretion to adjust the weightings assigned to objectives for executives, including the Chief Executive Officer, and award a higher or lower annual incentive value to one or more executive officers than achievement of applicable corporate objectives might otherwise suggest, based on their assessment of the challenges and factors that might have impacted the ability to achieve the objective or attain the highest assessment ranking, or other factors such as rewarding individual performance or recognizing the ability (or inability) of the Corporation to achieve its goals and strategic objectives and create shareholder value. In exercising its discretion, the Compensation Committee and Board may also consider, among other factors, risk management and regulatory compliance, the performance of executive officers in managing risk and whether payment of the incentive compensation might present or give rise to material risks to the Corporation or otherwise affect the risks faced by the Corporation and the management of those risks.

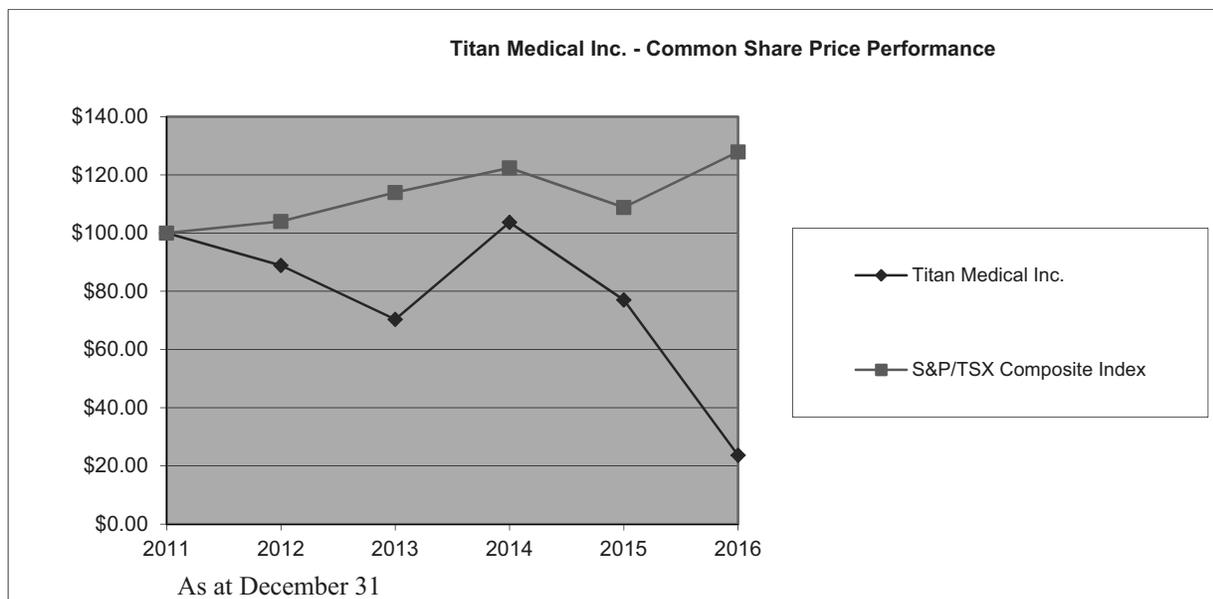
In assessing the general competitiveness of the compensation of the Corporation's Named Executive Officers, the Compensation Committee considers base salary, total cash compensation and total direct compensation (including the value of long term incentives) relative to a comparator group of publicly listed companies and reviews benchmark data composed of the group's executive compensation data for matching positions.

In addition to advice obtained from compensation consultants, the Compensation Committee undertakes its own assessment of the competitiveness of the Corporation's compensation and incentive programs, based on information obtained from such consultants and other information that may be available to the Compensation Committee. Decisions as to compensation are made by the Compensation Committee and the Board and may reflect factors and considerations other than the information and, if applicable, recommendations provided by compensation consultants.

The Company does not impose restrictions on purchasing financial instruments by its director or NEOs.

### ***Performance Graph***

The Common Shares of the Corporation are listed on the Toronto Stock Exchange ("TSX") and also trade on the OTCQB. The following graph illustrates the Corporation's cumulative shareholder return over the five most recently completed financial years, as measured by the closing price of the Common Shares at the end of the financial years ended December 31, 2012, 2013, 2014, 2015 and 2016, assuming an initial investment of CDN\$100 on December 31, 2011, compared to the closing price of the S&P/TSX Composite Index over the same period.



The following table shows the value of CDN\$100 invested in Common Shares on December 31, 2011 compared to CDN\$100 invested in the S&P/TSX Composite Index\*:

	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16
Titan Medical Inc.	100	88.89	70.37	103.70	77.04	23.70
S&P/TSX Composite Index	100	104.00	113.94	122.40	108.82	127.88

\*All amounts in Canadian \$.

The compensation paid by the Corporation to its Named Executive Officers in 2016 was not based in whole or in part on the trading price of the Common Shares in 2016 and does not compare to the trends in such trading price or the above market indices.

### ***Summary Compensation Table***

The following table and the notes thereto sets forth information concerning annual total compensation for each Named Executive Officer in 2016, in respect of the fiscal years ended December 31, 2016, 2015, and 2014. All amounts in the table below and the notes thereunder are stated in Titan's functional and presentation currency which

is U.S. dollars. The exercise prices of options are presented in Canadian currency as they are exercisable in Canadian dollars. Canadian employees are compensated in Canadian dollars. For reporting purposes, the Canadian dollar amount is translated to U.S. dollars using the noon exchange rate, as quoted by the Bank of Canada, on the payroll date.

Name and principal position	Year Ended Dec. 31	Salary (U.S.\$)	Share-based Awards (U.S.\$)	Option-based Awards <sup>(1)</sup> (U.S.\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (U.S.\$)	All Other Compensation (U.S.\$)	Total Compensation (U.S.\$)
					Annual Incentive Plans	Long-term Incentive Plans			
<b>John E. Barker</b> <sup>(3)</sup> <i>Interim Chief Executive Officer</i>	2016	46,241	0	37,481	0	0	0	0	83,722
	2015	0	0	0	0	0	0	0	0
	2014	0	0	0	0	0	0	0	0
<b>Dennis Fowler</b> <sup>(5)</sup> <i>Executive Vice President, Clinical and Regulatory Affairs</i>	2016	154,606	0	0	0	0	0	0	154,606
	2015	231,250	0	79,434	0	0	0	0	310,684
	2014	114,581	0	91,470	0	0	0	0	206,051
<b>John T. Hargrove</b> <sup>(4)</sup> <i>Chief Executive Officer</i>	2016	209,093	0	115,920	0	0	0	0	325,013
	2015	203,500	0	79,434	0	0	0	0	282,934
	2014	145,000	0	91,470	0	0	0	0	236,470
<b>Stephen Randall</b> <i>Chief Financial Officer</i>	2016	152,716	0	115,920	0	0	0	0	268,636
	2015	150,515	0	79,434	0	0	0	0	229,949
	2014	162,285	0	91,470	0	0	0	0	253,755
<b>Reiza Rayman</b> <sup>(2)</sup> <i>President</i>	2016	181,866	0	42,952	0	0	0	0	224,818
	2015	184,524	0	31,773	0	0	0	0	216,297
	2014	213,843	0	36,588	0	0	0	0	250,431
<b>James Shore</b> <i>Director, Quality Assurance/Regulatory Affairs</i>	2016	167,891	0	68,343	0	0	0	0	236,234

## Notes:

- (1) The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model using assumptions based on expected life, risk free rate, expected dividend yield and expected volatility.
- (2) Resigned as President on January 9, 2017.
- (3) Resigned as Interim Chief Executive Officer on January 1, 2017.
- (4) Resigned as Chief Executive Officer on October 7, 2016.
- (5) Resigned as Executive Vice President, Clinical and Regulatory Affairs on August 31, 2016.

***Outstanding share-based awards and option-based awards***

The following table shows all awards granted to Named Executive Officers and outstanding on December 31, 2016.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option Exercise Price CDN(\$)	Option Expiration Date (DD-M-YY)	Value of unexercised in-the-money options USD(\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested USD(\$)	Market or payout value of vested share-based awards not paid out or distributed USD(\$)
<b>John E. Barker</b>	10,606	1.66	15-Aug-16	0	0	0	0
	15,391	1.39	15-May-17	0	0	0	0
	72,991	0.56	02-Aug-18	0	0	0	0
	22,813	1.94	21-May-19	0	0	0	0
	31,306	1.72	09-Jun-20	0	0	0	0
	12,463	1.02	23-Dec-20	0	0	0	0
	170,612	1.00	24-Aug-21	0	0	0	0
<b>Dennis Fowler</b>	0	—	—	0	0	0	0
<b>John T. Hargrove</b>	15,391	1.39	15-May-17	0	0	0	0
	49,591	0.83	21-Mar-18	0	0	0	0
	178,231	0.56	02-Aug-18	0	0	0	0
	231,764	0.96	20-Dec-18	0	0	0	0
	106,096	1.76	06-Mar-19	0	0	0	0
	69,835	1.94	21-May-19	0	0	0	0
	99,383	1.72	09-Jun-20	0	0	0	0
	39,567	1.02	23-Dec-20	0	0	0	0
527,667	1.00	24-Aug-21	0	0	0	0	
<b>Stephen Randall</b>	29,706	1.49	14-Feb-17	0	0	0	0
	125,038	0.56	02-Aug-18	0	0	0	0
	69,835	1.94	21-May-19	0	0	0	0
	99,383	1.72	09-Jun-20	0	0	0	0
	39,567	1.02	23-Dec-20	0	0	0	0
	527,667	1.00	24-Aug-21	0	0	0	0
<b>Reiza Rayman</b>	59,413	1.49	14-Feb-17	0	0	0	0
	88,474	0.56	02-Aug-18	0	0	0	0
	27,934	1.94	21-May-19	0	0	0	0
	39,753	1.72	09-Jun-20	0	0	0	0
	15,827	1.02	23-Dec-20	0	0	0	0
	195,518	1.00	24-Aug-21	0	0	0	0
<b>James Shore</b>	80,000	1.08	27-Jan-21	0	0	0	0
	175,889	1.00	24-Aug-21	0	0	0	0

The following table shows the value from incentive plans vested or earned by Named Executive Officers under the Corporation's incentive plans and the annual incentive bonus payout during the financial year ended December 31, 2016.

Name	Option-based awards – Value vested during the year USD(\$)	Share-based awards – Value vested during the year USD(\$)	Non-equity incentive plan compensation – Value earned during the year USD(\$)
<b>John E. Barker</b>	(116,016)	-	-
<b>Dennis Fowler</b>	(37,711)	-	-
<b>John T. Hargrove</b>	(73,531)	-	-
<b>Stephen Randall</b>	(93,322)	-	-
<b>Reiza Rayman</b>	(37,329)	-	-
<b>James Shore</b>	(119,605)	-	-

***Stock Option Plan and Stock Options***

See “Statement of Executive Compensation - Compensation Discussion and Analysis” for information on the Corporation's stock option plan.

### *Securities Authorized for Issuance Under Equity Compensation Plan*

The following table sets forth certain information as of December 31, 2016 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plan
Equity compensation plan approved by securityholders	7,202,250	\$1.10	9,448,895

### *Termination and Change of Control Benefits*

No Named Executive Officer is entitled to any form of compensation as a result of termination or change of control of the Corporation.

### *Indebtedness of Directors and Executive Officers*

No director or executive officer of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of them is or was indebted to the Company at any time since the beginning of the last completed financial year of the Company.

### *Compensation of Directors*

For the year ended December 31, 2016, compensation of directors was as follows: each director of the Corporation received an annual retainer of \$15,000 and an additional \$1,000 for each board meeting attended. Each non-employee director who also served as chair of a committee of the board received an additional \$2,500.

The Board of Directors determines the form of payment of the compensation paid to directors. All compensation to directors is paid through the issuance of stock options or cash, at the discretion of the directors, on an annual basis. Currently all directors compensation is paid through stock options. The table below reflects in detail the compensation earned by non-employee directors in the 12-month period ended December 31, 2016.

Name	Cash Fees Earned CDN(\$)	Share-based Awards CDN(\$)	Option-based Awards CDN(\$)	Non-equity Incentive Plan Compensation CDN(\$)	Pension Value CDN(\$)	All Other Compensation CDN(\$)	Total CDN(\$)
Martin C. Bernholtz	0	0	40,632	0	0	0	40,632
Dr. Bruce Wolff	0	0	38,373	0	0	0	38,373

### *Directors' and Officers' Insurance*

The Corporation maintains insurance for the benefit of the Corporation and its directors and officers as a group, in respect of the performance by them of duties of their office. The amount of insurance purchased for the period commencing January 1, 2016 and ended December 31, 2016, was for an aggregate limit of liability (inclusive of costs of defence) of \$7,000,000. There is a deductible amount on a per loss basis of up to \$25,000 for a claim against the Corporation. The premium is paid by the Corporation without distinction as to directors as a group or officers as a group. The premium paid for such insurance in 2016 was \$21,858.

### *Outstanding share-based awards and option-based awards*

The following table shows all option-based and share-based awards granted to non-employee directors and that were outstanding on December 31, 2016.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option Exercise Price per share CDN(\$)	Option Expiration Date (DD-M-YY)	Value of unexercised in-the-money options USD(\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
<b>Martin C. Bernholtz</b>	11,633	1.66	15-Aug-16	0	0	0	0
	16,750	1.39	15-May-17	0	0	0	0
	77,415	0.56	02-Aug-18	0	0	0	0
	21,649	1.94	21-May-19	0	0	0	0
	31,306	1.72	09-Jun-20	0	0	0	0
	12,463	1.02	23-Dec-20	0	0	0	0
	167,094	1.00	24-Aug-21	0	0	0	0
<b>Bruce G. Wolff</b>	31,658	1.94	21-May-19	0	0	0	0
	24,846	1.72	09-Jun-20	0	0	0	0
	9,891	1.02	23-Dec-20	0	0	0	0
	158,300	1.00	24-Aug-21	0	0	0	0

### *Incentive Plan Awards – Value Vested or Earned During Fiscal Year and December 31, 2016*

The following table shows the value from incentive plans vested or earned by non-employee directors under the Corporation's incentive plans and the annual incentive bonus payout during the financial year ended December 31, 2016.

Name	Option-based awards – Value vested during the year USD(\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
<b>Martin C. Bernholtz</b>	(113,624)	0	0
<b>Bruce Wolff</b>	(107,644)	0	0

### **CORPORATE GOVERNANCE PRACTICES**

The Canadian Securities Administrators have adopted National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the “**Disclosure Rule**”). The Disclosure Rule establishes disclosure requirements regarding corporate governance practices of a reporting issuer as well as the requirement to file any written code of business conduct and ethics that a reporting issuer has adopted. Set out below is a description of the Corporation's approach to corporate governance as required by the Disclosure Rule.

#### *Board of Directors*

Currently, three of the four members of the Board of Directors are independent directors. An independent director is defined as a director who has no direct or indirect material relationship with the Corporation, being a relationship which could be reasonably expected to interfere with the exercise of a director's independent judgement. As at December 31, 2016, John E. Barker and Reiza Rayman were considered to be non-independent directors by virtue of their management position and employment relationships with the Corporation. On January 1, 2016 John E. Barker, who had served as Interim Chief Executive Officer of the Corporation following the resignation of John Hargrove as Chief Executive Officer on October 7, 2016, resigned from his management position with the Corporation. John E. Barker has remained on the Board of Directors and is currently an independent director. On January 9, 2016 Reiza Rayman resigned from his position as President of the Corporation. On February 10, 2017 Reiza Rayman resigned as a director of the Corporation. On January 1, 2016, David McNally was appointed Chief Executive Officer and a director of the Corporation. David McNally is currently the sole non-independent director of the Corporation. The Board believes that David McNally's extensive knowledge of the Corporation's business and affairs is beneficial to

the other directors and his participation as a director contributes to the effectiveness of the Board. Messrs. Bernholtz, Wolff and Barker are considered to be independent directors. These determinations were made by the Board based upon an examination of the factual circumstances of each director and consideration of any interests, business or relationships, which any director may have with the Corporation.

As part of each regularly scheduled quarterly board meeting, the independent directors have an in camera session, exclusive of non-independent directors and management. At the present time, the Board believes that the knowledge, experience and qualifications of its independent directors are sufficient to ensure that the Board can function independently of management and discharge its responsibilities.

The Chair of the Board, Martin Bernholtz, is an independent director. The Corporation does not have a designated lead director. The Board utilizes its own in-house expertise, and that of its legal counsel, to provide advice and consultation on current and anticipated matters of corporate governance.

### ***Director Meetings***

The Board of Directors held 29 meetings during the financial year ended December 31, 2016. The following table summarizes the attendance record for each of the directors at meetings of the Board of Directors, Audit Committee, Compensation Committee and Corporate Governance. The Nominating Committee did not hold any meetings during the year.

Name	Number of Meetings Attended by the Directors			Governance Committee
	Board of Directors	Audit Committee	Compensation Committee	
<b>John E. Barker</b>	29/29	6/6	1/1	2/2
<b>Martin C. Bernholtz</b>	27/29	6/6	1/1	2/2
<b>John T. Hargrove</b>	17/17	N/A	1/1	N/A
<b>Reiza Rayman</b>	28/29	N/A	N/A	N/A
<b>Bruce Wolff</b>	24/29	6/6	1/1	2/2

### ***Other Reporting Issuer Experience***

The following directors of the Corporation are directors of the following reporting issuers (other than the Corporation) as of the date of this Circular:

Name	Name of Reporting Issuer	Name of Exchange/Market
<b>Martin C. Bernholtz</b>	Continental Precious Metals Inc.	TSX
	Covalon Technologies Inc.	TSX-V
	Lingo Media Corporation	TSX-V
	KGIC INC.	TSX-V
	Musgrove Minerals Corp.	TSX-V
	Select Core Ltd.	TSX-V
	Nanostruck Technologies Inc.	CNSX
<b>John E. Barker</b>	Ecosynthetix Inc.	TSX

### ***Board Mandate***

The Board of Directors is responsible for the overall stewardship of the Corporation and operates pursuant to a written mandate, which was updated and approved by the Board on February 10, 2015 and as set out in Schedule "A" to this management information circular.

### ***Position Descriptions***

The Board has developed written position descriptions for the Chair of the Board of Directors and the chair of each committee. With respect to management's responsibilities, generally, any matters of material substance to the Corporation are submitted to the Board for, and are subject to, its approval. Such matters include those matters which must by law be approved by the Board (such as share issuances) and other matters of material significance to

the Corporation, including any debt or equity financings, investments, acquisitions and divestitures, and the incurring of material expenditures or legal commitments. The Board and/or its audit committee also reviews and approves the Corporation's major communications with shareholders and the public including the annual report, if any, (and financial statements contained therein), quarterly reports to shareholders, the annual management information circular and the annual information form. The specific corporate objectives which the Chief Executive Officer is responsible for meeting (aside from the overall objective of enhancing shareholder value) are, in the Corporation's case, typically related to the advancement, growth, management and financing of the Corporation and its research and development project and matters ancillary thereto.

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

The Corporation does not provide a formal orientation or education program for Board members, as it believes that such programs are not appropriate for a development stage company with an experienced Board, the members of which have been selected for their specific expertise.

The Corporation's directors are highly experienced and knowledgeable, both individually and as a group. The directors have either a medical or business background and have long careers in or related to the medical, health or financial industry and are intimately familiar with the Corporation's project, through sufficient interactions with management and technology developers.

To ensure that the Board has and maintains the skill and knowledge necessary for them to meet their obligations as directors of the Corporation, each of the directors has visited the Corporation's principal research and development subcontractor facility and observed the performance of SPORT Surgical System. Summary technology presentations by management relating to various aspects of the Corporation's project is made at meetings of the Board. The Board believes that discussion among the directors and management at these meetings provides a valuable learning resource for the directors with non-technical expertise in the subject matter presented, and that those directors provide management with valuable insights into broader issues facing the Corporation.

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

The Corporation is committed to maintaining high standards of corporate governance and this philosophy is communicated by the Board to management, and by management to employees, on a regular basis.

In order to ensure that the directors exercise independent judgment in considering transactions and agreements, the Board requires that all directors declare any conflicts of interest with issues or situations as they arise. This would include transactions/agreements in which a director/officer has material interest.

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

The Corporate Governance and Nominating Committee is a standing committee appointed by the Board and it is responsible for overseeing and assessing the functioning of the Board and the committees of the Board and for the development, recommendation to the Board, implementation and assessment of effective corporate governance principles. The Committee's responsibilities also include identifying candidates for directorship and recommending that the Board select qualified director candidates for election at the next annual meeting of shareholders.

The Corporate Governance and Nominating Committee is composed entirely of independent directors, being John E. Barker, Martin C. Bernholtz and Bruce Wolff.

### ***Audit Committee***

The Board of Directors has established an Audit Committee. The Audit Committee met six times during the financial year ended December 31, 2016.

### Audit Committee Charter

The text of the Audit Committee Charter is attached as Schedule “A” to the Corporation’s Annual Information Form for the year ended December 31, 2016, a copy of which is available on SEDAR.

### Composition of the Audit Committee

As of the date of this information circular, the table below sets out the members of the Audit Committee and states whether they are financially literate and/or independent.

Director	Independent	Financially Literate
John E. Barker	Yes	Yes
Martin C. Bernholtz	Yes	Yes
Dr. Bruce Wolff	Yes	Yes

### Relevant Education and Experience

Messrs. Barker and Bernholtz are directors on the Corporation’s Audit Committee and have been senior officers and/or directors of publicly traded companies and business executives for a number of years. Although Dr. Wolff does not have experience as a director or officer of any other publicly traded company, he has served as a director of the Corporation since March 11, 2014. Additionally, Dr. Wolff is a former President of the American Society of Colon and Rectal Surgeons, a former Director and President of the American Board of Colon and Rectal Surgery and a former Vice President and Director of the Foundation for Surgical Fellowships. In these positions, each director has been responsible for receiving financial information relating to the entities of which they were directors. They had, or have developed an understanding of financial statements generally and understand how those statements are used to assess the financial position of a company and its operating results. Each member of the Audit Committee also has a significant understanding of the business in which the Corporation is engaged and has an appreciation for the relevant accounting principles for the Corporation’s business.

### External Auditor Service Fees

The table below sets out all fees billed by the Corporation’s external auditor in respect of the last two financial years. The Audit Committee has adopted procedures for the engagement of non-audit services as described in section 3 of its charter under “Duties and Responsibilities”.

Financial Year Ended	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
December 31, 2016	\$42,083	\$25,774	\$1,512	\$44,143
December 31, 2015	\$28,606	\$19,089	\$2,072	\$57,393

Notes:

- (1) “Audit Fees” are fees billed by the Corporation’s external auditor for services provided in auditing the Corporation’s financial statements for the financial year.
- (2) “Audit-Related Fees” are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to performing the audit or reviewing the Corporation’s interim financial statements.
- (3) “Tax Fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning.
- (4) “All Other Fees” are fees billed by the auditor for services provided relating to the issuance of prospectus supplements during the year.

### ***Compensation and Compensation Committee***

Compensation matters are dealt with by the Compensation Committee of the Corporation. The function of the Compensation Committee is to review the compensation terms of each officer of the Corporation annually as well as at any other times as necessary. After considering inputs from senior management, the Compensation Committee makes a recommendation to the Board for approved compensation terms for each officer of the Corporation. Among other things, the Compensation Committee also recommends the structure of the compensation in terms of the amount of cash and/or number of options to be granted. Bruce Wolff is the chair of Compensation Committee and has served in such capacity since 2016. He has several years of experience in compensation administration, gained through senior leadership roles within the medical community. The other members of the Compensation

Committee have several years of relevant experience, having served as senior business executives with other companies and as members of compensation committees of other companies.

Three members of the Compensation Committee, namely, Messrs. Bernholtz, Barker and Wolff, are considered to be independent directors. The Compensation Committee is composed entirely of independent directors. The Compensation Committee met one time during the financial year ended December 31, 2016.

See also “Statement of Executive Compensation – Compensation Committee”.

#### ***Other Board Committees***

The Board has no standing committee other than the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee.

#### ***Assessments***

The Board, its committees and individual directors are not regularly assessed with respect to their effectiveness and contribution, as the Board believes that such assessments are generally more appropriate for corporations of significantly larger size and complexity than the Corporation and which may have significantly larger boards of directors. A more formal assessment process will be instituted as, if, and when the Board deems necessary.

#### ***Director Tenure***

It is proposed that each of the persons elected as a director at the Meeting will serve until the close of the next annual meeting of the Corporation or until his or her successor is elected or appointed. The Board has not adopted a term limit for directors. The Board believes, at this time, that the imposition of director term limits on a board may discount the value of experience and continuity amongst board members and runs the risk of excluding experienced and potentially valuable board members. This decision is subject to review on an annual basis. The Board does not follow a formal director assessment procedure in evaluating Board members. However, the Board believes that it can best strike the right balance between continuity and fresh perspectives without mandated term limits.

#### ***Representation of Women on the Board and in Executive Officer Positions***

The Corporate Governance and Nominating Committee’s Charter encourages diversity in the composition of the Board and requires periodic review of the composition of the Board as a whole to recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of diversity, knowledge, experience, skills and expertise required for the Board as a whole. Accordingly, while the Board has not adopted a written policy nor targets relating to the identification and nomination of women directors, the Board does take into consideration a nominee’s potential to contribute to diversity within the Board. Given that diversity is part of determining the overall balance, which includes gender, the Board has not adopted a gender specific policy target.

The Corporate Governance and Nominating Committee recognizes the value of diversity. Currently, the Board is comprised of male directors. The Board does not follow a formal process for proposing female nominees for Board vacancies. Rather the Board focuses on the qualification and professional or business experience of each individual nominee.

Consistent with the Corporation’s approach to diversity at the Board level, the Corporation’s hiring practices include consideration of diversity across a number of areas, including gender. None of the current executive officer positions of the Corporation are held by women. The Corporation does not have a target number of women executive officers. Given the small size of its executive team, the Corporation believes that implementing targets would not be appropriate. However, in its hiring practices, the Corporation considers the level of representation of women in executive officer positions.

**APPOINTMENT AND REMUNERATION OF AUDITORS**

Unless such authority is withheld, the persons named in the enclosed instrument of proxy intend to vote for the re-appointment of BDO Canada LLP, Chartered Accountants, Licensed Public Accountants, of Toronto, Ontario, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix their remuneration. BDO Canada LLP were first appointed auditors of the Corporation on December 13, 2010.

**OTHER ITEMS OF BUSINESS**

Management is not aware of any other matters which are to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any matters other than those referred to herein should be presented at the Meeting, the persons named in the enclosed proxy are authorized to vote the shares represented by the proxy in accordance with their best judgement.

**INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere in this Circular, no current director, nominee director or executive officer of the Company, nor any person who has held such position since the beginning of the last completed financial year, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

**ADDITIONAL INFORMATION**

Financial information for the Corporation is provided in the Corporation's comparative annual financial statements and management's discussion and analysis for the most recently completed financial year. This information and additional information relating to the Corporation can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.titanmedicalinc.com](http://www.titanmedicalinc.com).

Copies of the above and other disclosure documents of the Corporation may also be obtained from the Secretary of the Corporation upon request.

**DIRECTORS' APPROVAL**

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

DATED the 18<sup>th</sup> day of May, 2017.

*(signed) David J. McNally*

President and Chief Executive Officer  
Titan Medical Inc.

## SCHEDULE “A”

### BOARD OF DIRECTORS MANDATE

#### Introduction

The board of directors (the “**Board**”) of Titan Medical Inc. (the “**Company**”) is elected by the shareholders of the Company and is responsible for the stewardship of the Company. The purpose of this mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

#### Chair of the Board of Directors

The Chair of the Board (the “**Chair**”) will be appointed by the Board, after considering the recommendation of the Company’s Corporate Governance and Nomination Committee, for such term as the Board may determine.

#### Independence

The Board will be comprised of a majority of independent directors, as established by applicable laws and the rules of any stock exchanges upon which the Company’s securities are listed, including section 3.1 of National Policy 58-201 – *Corporate Governance Guidelines*.

Where the Chair is not independent, the independent directors may select one of their number to be appointed lead director of the Board for such term as the independent directors may determine. The Chair or lead director, if appointed, will chair regular meetings of the independent directors and assume other responsibilities that the independent directors as a whole have designated.

#### Role and Responsibilities of the Board

The role of the Board is to act honestly and in good faith and act in the best interest of the Company, and each member of the Board must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Board is ultimately accountable and responsible for providing independent, effective leadership in supervising the management of the business and affairs of the Company.

The responsibilities of the Board include:

- adopting a strategic planning process;
- risk identification and ensuring that procedures are in place for the management of those risks;
- the Company’s internal control and management information systems;
- review and approve annual operating plans and budgets;
- corporate social responsibility, ethics and integrity;
- review the integrity of the Chief Executive Officer (CEO) and the other executive officers and ensure that the CEO and other executive officers create a culture of integrity;
- succession planning, including the appointment, training and supervision of management;
- delegations and general approval guidelines for management;

- monitoring financial reporting and management;
- monitoring internal control and management information systems;
- corporate disclosure and communications including the adoption of a Corporate Disclosure Policy, which shall serve as the communication policy for the Company;
- adopting measures for receiving feedback from stakeholders;
- adopting key corporate policies designed to ensure that the Company, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically and with honesty and integrity;
- developing the Company's approach to governance; and
- such other items as required by law including the *Business Corporations Act* (Ontario).

Meetings of the Board will be held at least quarterly, with additional meetings to be held depending on the state of the Company's affairs and in light of opportunities or risks which the Company faces. After each meeting of the Board, the directors will meet without management being present. In addition, separate meetings of the independent directors of the Board may be held at which members of management and the non-independent directors are not present.

The Board will delegate responsibility for the day-to-day management of the Company's business and affairs to the Company's senior officers and will supervise such senior officers appropriately.

The Board may delegate certain matters it is responsible for to Board committees, presently consisting of the Audit Committee, Corporate Governance and Nominating Committee and Compensation Committee.

### **Strategic Planning Process and Risk Management**

The Board will adopt a strategic planning process to establish objectives and goals for the Company's business and will review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Company's business and affairs.

The Board, in conjunction with management, will identify the principal risks of the Company's business and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

### **Succession Planning, Appointment and Supervision of Management**

The Board will approve the succession plan for the Company, including the selection, appointment, supervision and evaluation of the CEO or any person acting in such capacity, and the other senior officers of the Company, and will also approve the compensation of the CEO or any person acting in such capacity, and the other senior officers of the Company.

In furtherance of the succession plan, the Board shall monitor senior management and oversee their training.

### **Delegations and Approval Authorities**

The Board will delegate to the CEO, or any person acting in such capacity, senior management authority over the day-to-day management of the business and affairs of the Company.

### **Corporate Disclosure and Communications**

The Board will seek to ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which the Company's securities are listed and the Corporate Disclosure Policy. In addition, the Board will adopt procedures that seek to ensure the security holders have a direct contact to a designated individual in order to provide them with corporate information.

### **Corporate Policies**

The Board will adopt and monitor compliance of the policies and procedures, which are designed to ensure that the Company, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Company's business ethically and with honesty and integrity. Principal policies consist of:

- Code of Conduct;
- Insider Trading Policy;
- Whistleblower Policy

### **Review of Mandate**

The Corporate Governance and Nominating Committee will annually review and assess the adequacy of this mandate and recommend any proposed changes to the Board for consideration. The Board may, from time to time, amend this Mandate.

The Board may, from time to time, permit departures from the terms of this Mandate, either prospectively or retrospectively. The terms of this Mandate are not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

**Effective:** February 10, 2015

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