

MOSAID TECHNOLOGIES INCORPORATED

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting of the shareholders (the “**Meeting**”) of MOSAID Technologies Incorporated (the “**Corporation**”) will be held on Thursday, September 22, 2011 at 10:30 a.m. (Ottawa time) at the Brookstreet Hotel, Shakers Room, 2nd Floor, located at 525 Legget Drive, Ottawa, Ontario K2K 2W2, Canada for the following purposes:

- (a) to receive the Corporation’s financial statements for the financial year ended April 30, 2011 together with the auditors’ report thereon;
- (b) to elect the directors;
- (c) to appoint the auditors of the Corporation and authorize the directors to fix the auditors’ remuneration;
- (d) to consider and, if thought appropriate, to approve a resolution, the full text of which is set out in Appendix C to the accompanying Management Information Circular of the Corporation dated August 3, 2011 (the “**Circular**”), to approve the Corporation’s approach to executive compensation;
- (e) to consider and, if thought appropriate, to approve a resolution, the full text of which is set out in Appendix D to the Circular, to reconfirm the continued existence of the Corporation’s Shareholder Rights Plan;
- (f) to consider and, if thought appropriate, to approve a resolution, the full text of which is set out in Appendix E to the Circular, to approve the proposed amendments to the Corporation’s Employee and Director Stock Purchase Plan;
- (g) to consider and, if thought appropriate, to approve a resolution, the full text of which is set out in Appendix F to the Circular, to approve a proposed amendment to the Corporation’s Employee and Director Stock Option Plan;
- (h) to consider and, if thought appropriate, to approve a resolution, the full text of which is set out in Appendix G to the Circular, to amend the Corporation’s articles of incorporation so as to split the Corporation’s outstanding shares on a 2:1 basis; and
- (i) to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Circular contains additional information about these matters. Also enclosed is a form of proxy for the Meeting and the Corporation’s Annual Report.

Dated at Ottawa, Ontario, Canada, this 3rd day of August, 2011.

By Order of the Board of Directors



Phillip S. Shaer
Vice President, General Counsel
and Corporate Secretary

Note: Whether or not you expect to attend the Meeting, please exercise your right to vote. Shareholders who have voted may still attend the Meeting. Please complete, date and sign the enclosed form of proxy and return it:

- (i) by mail, to CIBC Mellon Trust Company c/o Canadian Stock Transfer Company Inc. at P.O. Box 721, Agincourt, Ontario M1S 0A1, Canada, or in the enclosed envelope;
- (ii) by facsimile, to CIBC Mellon Trust Company c/o Canadian Stock Transfer Company Inc. at 416-368-2502 or 1-866-781-3111 (toll free in North America);
- (iii) by depositing it with the Corporate Secretary of the Corporation at 11 Hines Road, Suite 203, Ottawa, Ontario K2K 2X1, Canada;
- (iv) by telephone, call 1-866-240-5191 (toll free in North America) and enter the unique 12- digit control number on this proxy; or
- (v) you may vote the shares by internet. Access www.proxypush.ca/msd and enter the unique 12- digit control number on this proxy.

To be used at the Meeting, proxies must be received by 10:30 a.m. (Ottawa time) two business days prior to the Meeting, being Tuesday, September 20, 2011, or any adjournment thereof.

MOSAID TECHNOLOGIES INCORPORATED
11 Hines Road, Suite 203, Ottawa, Ontario, K2K 2X1, Canada

MANAGEMENT PROXY CIRCULAR

August 3, 2011

SOLICITATION OF PROXIES

This Management Proxy Circular (the "Circular") is furnished by the management (the "Management") of MOSAID Technologies Incorporated (the "Corporation"), a corporation governed by the *Canada Business Corporations Act* (the "CBCA") in connection with the solicitation of proxies for use at the annual and special meeting of shareholders (the "Meeting") to be held on Thursday, September 22, 2011 at 10:30 a.m. (Ottawa time) at the Brookstreet Hotel, Shakers Room, 2nd Floor, located at 525 Legget Drive, Ottawa, Ontario K2K 2W2, Canada, and at any adjournment thereof.

The solicitation of proxies will be made primarily by mail. However, proxies may also be solicited personally by employees of the Corporation. **The solicitation of proxies by this Circular is being made by or on behalf of Management of the Corporation.** The cost of solicitation will be borne by the Corporation. Unless otherwise indicated, all information provided in this Circular is given as of August 3, 2011 and all financial information is expressed in Canadian dollars.

VOTING INFORMATION

Each registered shareholder is entitled to one vote for each common share of the Corporation ("Common Share") registered in his or her name as of the Record Date (as defined below). The directors of the Corporation have fixed the close of business on July 25, 2011 as the Record Date (the "Record Date") for the purpose of determining shareholders entitled to receive notice of the Meeting, but the failure of any shareholder to receive a notice of meeting (a "Notice") does not deprive the shareholder of a vote at the Meeting.

Voting In Person

If you attend the Meeting in Ottawa on Thursday, September 22, 2011 and are a registered shareholder, or a non-objecting beneficial owner ("NOBO") whose name has been provided to the Corporation's registrar and transfer agent, CIBC Mellon Trust Company, your name will appear on a list of shareholders prepared by the registrar and transfer agent for the purposes of the Meeting. To vote in person at the Meeting each registered shareholder or NOBO will be required to register for the Meeting by identifying themselves at the registration desk. Non-registered beneficial shareholders (other than NOBOs) must appoint themselves as proxyholder to vote in person at the Meeting. You may cast one vote for each of your registered Common Shares on any and all resolutions voted on by way of ballot at the Meeting. This may include the election of directors, the other issues listed on the Notice, and any other business that may arise at the Meeting. You may oppose any matter proposed at the Meeting by withholding your vote from, or voting your Common Shares against, any resolution at the Meeting, depending on the specific resolution. If you attend the Meeting in person and are a non-registered beneficial shareholder, other than a NOBO, you will not be entitled to vote at the Meeting unless you contact your Intermediary (as defined herein) well in advance of the Meeting and carefully follow its instructions and procedures as discussed below.

Voting By Proxy For Registered Shareholders

The following instructions are for registered shareholders only. Only registered shareholders or their duly appointed proxyholders are permitted to vote at the Meeting. **If you are a non-registered beneficial shareholder, other than a NOBO, please follow your Intermediary's instructions on how to vote your shares as discussed below.**

If you are unable to attend the Meeting, or if you do not wish to personally cast your votes, as a registered shareholder, you may still make your votes count by authorizing another person who will be at the Meeting to vote on your behalf (a "proxyholder"). You may either tell that person how you want to vote, or let him or her choose for you. This is called voting by proxy.

Your proxyholder is the person that you appoint to cast your votes at the Meeting on your behalf. You may choose the person named in the form of proxy enclosed with this Circular ("Form of Proxy") who is the Corporation's Chairman (or his alternate) or you may appoint any other person that you want to be your proxyholder. A proxyholder does not need to be a shareholder. If you desire to appoint some other person to represent you at the Meeting you may do so either by inserting such person's name in the blank space provided in the Form of Proxy or by completing another proper form of proxy and, in either case, returning it, no later than 10:30 a.m. (Ottawa time), Tuesday, September 20, 2011, (i) by mail at P.O. Box 721, Agincourt,

Ontario M1S 0A1, Canada, or in the enclosed envelope, (ii) by fax 416-368-2502 or 1-866-781-3111 (toll free in North America), (iii) to the Corporate Secretary of the Corporation at 11 Hines Road, Suite 203, Ottawa, Ontario K2K 2X1, Canada, (iv) by telephone, call 1-866-240-5191 (toll free in North America) and enter the unique 12- digit control number on this proxy, or (v) you may vote the shares by internet. Access www.proxypush.ca/msd and enter the unique 12- digit control number on this proxy. **If you return the attached Form of Proxy and have left the line for the proxyholder's name blank, then the Corporation's Chairman (or his alternate) will automatically become your proxyholder.**

You may instruct your proxyholder how you want to vote on the issues listed in the Notice by checking the appropriate boxes on the Form of Proxy. If you have specified on the Form of Proxy how you want to vote on a particular issue (by checking FOR, AGAINST or WITHHOLD), then your proxyholder must cast your votes as instructed. By checking "WITHHOLD" on the Form of Proxy, where applicable, you will be abstaining from voting.

If you have NOT specified how to vote on a particular matter, your proxyholder is entitled to vote your Common Shares as he or she sees fit. If your Form of Proxy does not specify how to vote on any particular matter, and if you have authorized the Corporation's Chairman or his alternate to act as your proxyholder (by leaving the line for the proxyholder's name blank on the Form of Proxy), your Common Shares will be voted at the Meeting as follows:

- **FOR the election of each of Management's nominees to the Corporation's Board of Directors (the "Board");**
- **FOR the appointment of the auditors named in this Circular and to authorize the Board to fix the auditors' remuneration;**
- **FOR the approval of a resolution of the shareholders to approve the Corporation's approach to executive compensation;**
- **FOR the approval of a resolution of the shareholders to reconfirm the continued existence of the Corporation's Shareholder Rights Plan;**
- **FOR the approval of a resolution of the shareholders to approve proposed amendments to the Corporation's Employee and Director Stock Purchase Plan;**
- **FOR the approval of a resolution of the shareholders to approve a proposed amendment to the Corporation's Employee and Director Stock Option Plan; and**
- **FOR the approval of a resolution of the shareholders to approve a proposed amendment to the Corporation's articles of incorporation to effect a 2:1 stock split.**

The Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting. At the date of this Circular, Management of the Corporation is not aware of any such amendments or other matters. Any amendment, variation or other matter, which is not known to Management, which may properly come before the Meeting, will be voted upon by the proxies hereby solicited in accordance with the best judgment of the person or persons voting such proxies. The Common Shares represented by your proxy will be voted on any ballot that may be called for (unless you instruct otherwise).

Revoking Your Proxy

You may revoke a proxy given in response to this solicitation pursuant to Section 148(4) of the CBCA (1) by depositing an instrument in writing, executed by you or by your attorney authorized in writing (a) at the registered office of the Corporation at 11 Hines Road, Suite 203, Ottawa, Ontario K2K 2X1, Canada, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or (b) with the Chairperson of the Meeting on the day of the Meeting, or any adjournment thereof, or (2) in any other manner permitted by law.

If you revoke your proxy and do not replace it with another form of proxy that is deposited in accordance with the instructions set out above, on or before the deadline, 10:30 a.m. (Ottawa time), Tuesday, September 20, 2011, you may still vote your own Common Shares in person at the Meeting provided you are a registered shareholder or NOBO whose name appears on the shareholders' register of the Corporation.

Non-Registered Beneficial Shareholders

The Notice, Form of Proxy and this Circular (collectively, the "**Meeting Materials**") are being sent to both registered and non-registered shareholders of the Corporation.

Only registered holders of Common Shares, or the persons that they appoint as proxies, are permitted to attend and vote at the Meeting. In many cases, however, Common Shares are beneficially owned by a shareholder (a “**Non-Registered Holder**”) and are registered either:

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

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Meeting Materials to CDS and all of the Intermediaries for delivery to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders.

Generally, Non-Registered Holders, other than NOBOs, who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted – this form of proxy does not need to be signed by the Non-Registered Holder and, in this case, the Non-Registered Holder who wishes to submit a form of proxy should properly complete the form of proxy and deposit it with CIBC Mellon Trust Company as described above; or
- (b) more typically, be given a voting instruction form which must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. If a Non-Registered Holder who receives either a form of proxy or a voting instruction form wishes to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should insert the Non-Registered Holder’s (or such other person’s) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on that form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies, including those regarding when and where the proxy or voting instruction form is to be delivered.**

Non-Objecting Beneficial Owners

These meeting materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these material directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these meeting materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

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

No director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the Corporation’s last completed fiscal year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, 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 other than the election of directors.


VOTING SHARES


As of August 3, 2011 there were 11,918,104 Common Shares issued and outstanding. As far as the directors and senior officers of the Corporation are aware, with the exception of Mawer Investment Management Ltd., which owns 1,196,845 Common Shares, no single shareholder, beneficially owns, directly or indirectly, or exercises control or direction over, more than ten (10%) percent of the Common Shares.


ELECTION OF DIRECTORS

The persons named below are the nominees of Management for election as directors. Each director elected will hold office until his successor is elected or appointed, unless his office is earlier vacated under any of the relevant provisions of the by-laws of the Corporation or the CBCA. The Corporation does not have a retirement policy for directors.

It is the intention of the persons named as proxyholders in the form of proxy to vote FOR election to the Board the persons named below. Management does not contemplate that any of such nominees will be unable to serve as a director, however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS OR HER PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.**

	<p>J. Ian Giffen Director Age: 53 Toronto, Ontario, Canada Director Since: May 2011 <i>Independent</i></p>	
Board/Committee Membership ⁽¹⁾		Attendance ⁽²⁾
Board of Directors Audit Committee Corporate Governance and Nominating		N/A N/A N/A
Securities Held		
Common Shares Owned or Controlled		0
DSUs Owned or Controlled ⁽³⁾		65
<p>Ian has more than twenty years of experience as a board director, advisor and chief financial officer to technology companies and investment funds. He is currently a Director of RuggedCom Inc. and Absolute Software Inc. Appointed to MOSAID's Board of Directors in May 2011, Ian also serves on the boards of several private companies.</p>		
<p>From 1992 to 1996, Ian was Vice President and CFO of Alias Research Inc., until it was sold to Silicon Graphics Inc. for approximately \$500 million. Since then, he has advised private venture investment funds and served on the boards of public and private companies. He was on the board of Macromedia Inc. from 1997 until 2005, when it was sold to Adobe Systems for approximately \$4 billion. Ian also served on the boards of Certicom Corporation Inc., Changepoint Inc., Corel Corporation Inc., Delano Technology Inc., Descartes Systems Group Inc, DPS Inc., Financial Models Inc., MKS Inc, Open Text Corporation, Sierra Systems Inc. and 724 Solutions Inc.</p>		
<p>Ian is a Chartered Accountant and has a Designation in Corporate Finance. He also holds a Bachelor of Arts degree in Business Administration from the University of Strathclyde in Glasgow and worked with KPMG in Glasgow from 1978 to 1982.</p>		

	<p>John C. Lindgren President and Chief Executive Officer Age: 47 Ottawa, Ontario, Canada Director Since: 2007 Non-Independent</p>												
<table border="1"> <thead> <tr> <th data-bbox="201 367 860 399">Board/Committee Membership⁽¹⁾</th> <th data-bbox="860 367 1453 399">Attendance⁽²⁾</th> </tr> </thead> <tbody> <tr> <td data-bbox="201 399 860 430">Board of Directors</td> <td data-bbox="860 399 1453 430">10/10</td> </tr> <tr> <td colspan="2" data-bbox="201 430 1453 462">Securities Held</td> </tr> <tr> <td data-bbox="201 462 860 493">Common Shares Owned or Controlled</td> <td data-bbox="860 462 1453 493">55,183</td> </tr> <tr> <td data-bbox="201 493 860 525">DSUs Owned or Controlled⁽³⁾</td> <td data-bbox="860 493 1453 525">27,745</td> </tr> <tr> <td data-bbox="201 525 860 556">RSUs Owned or Controlled⁽⁴⁾</td> <td data-bbox="860 525 1453 556">46,061</td> </tr> </tbody> </table>		Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾	Board of Directors	10/10	Securities Held		Common Shares Owned or Controlled	55,183	DSUs Owned or Controlled ⁽³⁾	27,745	RSUs Owned or Controlled ⁽⁴⁾	46,061
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RSUs Owned or Controlled ⁽⁴⁾	46,061												
<p>John is the President and Chief Executive Officer, and a Director, of the Corporation. He joined the Corporation in November 2006 as Senior Vice President, Patent Licensing, General Counsel and Corporate Secretary, and assumed his current position in April 2007. Prior to joining the Corporation, John spent 20 years with Texas Instruments (“TI”), one of the world’s most renowned semiconductor companies, where he was a Vice President and Assistant General Counsel. Most of his career at TI involved patent licensing in the fields of semiconductor and communications technology.</p>													
<p>John holds a Juris Doctorate from Southern Methodist University School of Law, where he graduated magna cum laude and was editor-in-chief of the SMU Law Review; a M.Sc. Electrical Engineering from Southern Methodist University School of Engineering and Applied Science; and a B.Sc. Electrical Engineering from Duke University School of Engineering. He is the former chair of the Intellectual Property subcommittee of the Semiconductor Industry Association and currently serves on the Executive Committee for the Center for American and International Law. He is registered to practice law in Texas and is a registered U.S. patent attorney. He is also licensed as a professional engineer in Texas.</p>													

	<p>Jerry W. Mills Director Age: 61 Dallas, Texas, United States of America Director Since: January 2011 Independent</p>														
<table border="1"> <thead> <tr> <th data-bbox="201 1276 896 1308">Board/Committee Membership⁽¹⁾</th> <th data-bbox="896 1276 1453 1308">Attendance⁽²⁾</th> </tr> </thead> <tbody> <tr> <td data-bbox="201 1308 896 1339">Board of Directors</td> <td data-bbox="896 1308 1453 1339">2/2</td> </tr> <tr> <td data-bbox="201 1339 896 1371">Audit Committee</td> <td data-bbox="896 1339 1453 1371">1/1</td> </tr> <tr> <td data-bbox="201 1371 896 1402">Human Resources Committee</td> <td data-bbox="896 1371 1453 1402">1/1</td> </tr> <tr> <td colspan="2" data-bbox="201 1402 1453 1434">Securities Held</td> </tr> <tr> <td data-bbox="201 1434 896 1465">Common Shares Owned or Controlled</td> <td data-bbox="896 1434 1453 1465">0</td> </tr> <tr> <td data-bbox="201 1465 896 1497">DSUs Owned or Controlled⁽³⁾</td> <td data-bbox="896 1465 1453 1497">569</td> </tr> </tbody> </table>		Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾	Board of Directors	2/2	Audit Committee	1/1	Human Resources Committee	1/1	Securities Held		Common Shares Owned or Controlled	0	DSUs Owned or Controlled ⁽³⁾	569
Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾														
Board of Directors	2/2														
Audit Committee	1/1														
Human Resources Committee	1/1														
Securities Held															
Common Shares Owned or Controlled	0														
DSUs Owned or Controlled ⁽³⁾	569														
<p>Well known as a patent litigation attorney, technology entrepreneur and investor, Jerry was appointed to MOSAID’s Board of Directors in January 2011.</p>															
<p>Jerry is widely recognized as an IP expert with world-class experience in many areas of intellectual property. He retired as a Senior Partner at Baker Botts LLP, a leading international law firm based in Texas. As Chair of Baker Botts’ Intellectual Property (IP) department with over 125 attorneys, Jerry directed one of the largest and most respected IP legal practices in the United States. He has handled complex patent and trademark litigation, and has extensive experience in patent licensing and enforcement, buying and selling patent portfolios, and the preparation and prosecution of patent applications.</p>															
<p>Jerry holds a Juris Doctor from Georgetown University Law Center, and received a B.S. in Electrical Engineering from Texas A&M University. He lives in Dallas, Texas and is active in a variety of business and community causes.</p>															



Normand Y. Paquette
 Director
 Age: 48
 Ottawa, Ontario, Canada
 Director Since: 2007
Independent

Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board of Directors	10/10
Audit Committee	7/7
Human Resources Committee	1/1

Securities Held	
Common Shares Owned or Controlled	0
DSUs Owned or Controlled ⁽³⁾	7,580

Norm is the Vice President of Finance and Chief Financial Officer of Stratford Managers Corporation. He is a well known and respected executive with over 20 years of experience in senior financial management roles. He was a founding member of Tundra Semiconductor Corp., joining the company at its inception in 1995 and serving as its Chief Financial Officer from 1999 until August 2006. During his tenure, Norm provided strong financial leadership, including completing Tundra's Initial Public Offering (IPO) in 1999. Prior to joining Tundra, he worked for a large public accounting firm.

Norm is a Chartered Accountant and holds Bachelor of Commerce (Honours) from the University of Ottawa.



Barry J. Reiter⁽³⁾
 Director
 Age: 62
 Toronto, Ontario, Canada
 Director Since: 2007
Independent


Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board of Directors	10/10
Corporate Governance and Nominating Committee	2/2
Human Resources Committee	3/3

Securities Held	
Common Shares Owned or Controlled	8,067
DSUs Owned or Controlled ⁽³⁾	12,993

Barry is a senior partner of Bennett Jones LLP, and Chair of its Technology, Media and Entertainment and Corporate Governance and Director Protection Groups. His practice focuses on corporate development, finance and governance. Barry regularly advises boards, standing and special board committees, directors, management and in-house counsel on governance issues. He is an experienced director and has served on and chaired boards and a variety of board committees. Current board roles include, Avotus Corporation, Conjoin Inc., Craig Wireless Systems Ltd., HKMB HUB International (Industry Advisory Council) and Kneebone Inc. Mr. Reiter writes a monthly column on corporate governance in Lexpert Magazine. He is the lead author of Directors' Duties in Canada, 4th Edition published in June 2009.

Formerly a law professor at the Faculty of Law, University of Toronto, Barry holds a BCL degree from Oxford University, an LLB degree from Osgoode Hall Law School and BA from York University.

	<p>Carl P. Schlachte, Sr. Chairman Age: 48 Santa Clara, California, United States of America Director Since: 2006 <i>Independent</i></p>
Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board of Directors Audit Committee Corporate Governance and Nominating Committee	10/10 7/7 1/1
Securities Held	
Common Shares Owned or Controlled	0
DSUs Owned or Controlled ⁽³⁾	18,949
<p>Carl joined the Board in September 2006 and was appointed Chairman in April 2007.</p> <p>Carl is an internationally recognized veteran of the San Francisco Bay Area’s high-technology industry. His career spans more than 25 years and includes Chairman and CEO positions, as well as strategic advisory roles to venture capital firms, Fortune 100 companies and Silicon Valley startups. Carl’s specialties include change strategies that help move companies from selling technologies to providing solutions, as well as acquisition strategy and integration, building and leading strong executive teams and internal cultural development. Carl is a well-known media personality and often speaks on trends in technology and on the intersection between technological evolution and modern culture. In addition to his role as the Corporation’s Chairman, Carl also serves on the boards of Immersion Technologies and Peregrine Semiconductor. He is also Chairman and CEO of Ventiva.</p>	

	<p>John P. Veschi Director Age: 50 Allentown, Pennsylvania, United States of America Director Since: May 2011 <i>Independent</i></p>
Board/Committee Membership ⁽¹⁾	Attendance ⁽²⁾
Board of Directors Human Resources Committee	N/A N/A
Securities Held	
Common Shares Owned or Controlled	0
DSUs Owned or Controlled ⁽³⁾	332
<p>John is Chief Intellectual Property Officer, Nortel Networks. He joined Nortel in 2008, and is responsible for managing the company’s global intellectual property (IP) assets, including its reverse engineering, patent assertion and patent prosecution activities. John leads Nortel’s IP legal and business teams as the company completes a complex multi-jurisdictional bankruptcy and restructuring process.</p> <p>John, who was appointed to MOSAID’s Board of Directors in May 2011, has long experience in running profit and loss IP businesses. Between 2007 – 2008, he was the General Manager of LSI Corporation’s IP Business, and LSI’s Chief IP Counsel. In that role, he led a team which negotiated agreements yielding hundreds of millions of dollars in patent licensing revenue. Prior to 2007, John served in an equivalent executive position at Agere Systems Incorporated (the Lucent Microelectronics spinoff), which was purchased by LSI in 2007. Prior to that, he worked as an IP attorney at Lucent Technologies and in private practice at Foley & Lardner. Over his career, he has established a reputation for thoughtful, strong, technology-based assertion and licensing practices.</p> <p>John has a BS in Electrical Engineering from Lafayette College, an MBA from George Washington University, and a Juris Doctor, <i>summa cum laude</i>, from the University of Maryland. Early in his career, John served as a Signal Corps officer in the U.S. Army, and as an engineering manager in the defense field.</p>	

- ⁽¹⁾ Reflects current Committee membership as of August 3, 2011.
- ⁽²⁾ Reflects attendance during fiscal 2011, which ended April 30, 2011.
- ⁽³⁾ DSUs owned or controlled means, all Deferred Share Units (“**DSUs**”), whether vested or unvested. DSUs are described in detail herein in the sections entitled “Report on Executive Compensation” and “Compensation of Directors.”
- ⁽⁴⁾ RSUs owned or controlled means, all Restricted Share Units (“**RSUs**”), whether vested or unvested. RSUs are described in detail herein in the section entitled “Report on Executive Compensation.”
- ⁽⁵⁾ Mr. Reiter was a director of Battery Technologies Inc. (“**Battery**”), which became subject to a cease trade order and, subsequently, became bankrupt in 2003. Mr. Reiter had ceased acting as a director of Battery prior to the cease trade order and its subsequent bankruptcy.

Each of the above mentioned persons is now a director and was elected to the present term of office by a vote of security holders at a meeting, the notice of which was accompanied by an information circular, with the exception of Messrs. Giffen, Mills and Veschi, whose employment over the past five years and currently is denoted in their respective biographies herein.

Majority Voting Policy

The Corporation’s Majority Voting Policy provides that in an uncontested election of directors, any nominee who receives a greater number of votes “withheld” than votes “for” will tender his or her resignation to the Board promptly following our annual meeting. An “uncontested election” means the number of nominees for election is the same as the number of directors to be elected to the Board. The Corporate Governance and Nominating Committee will consider the resignation, the votes and the circumstances, and recommend to the Board the action to be taken.

Corporate Cease Trade Orders or Bankruptcies

The information as to cease trade orders and bankruptcies provided above, not being within the knowledge of the Corporation, has been forwarded by the directors to Management.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth all compensation, rounded to the nearest dollar, paid in the fiscal years ended April 30, 2011, April 30, 2010 and April 30, 2009 to (a) each individual who served as the Corporation's Chief Executive Officer and Chief Financial Officer during the fiscal year ended April 30, 2011, (b) the other three most highly compensated executive officers of the Corporation who were serving as executive officers at the end of the fiscal year ended April 30, 2011 and whose total salary and bonus exceeded \$150,000, and (c) those other individuals for whom disclosure would have been provided under (b) except that the individual was not serving as an officer of the Corporation at the end of the fiscal year ended April 30, 2011 (each a "Named Executive Officer" or "NEO").

Name and Principal Position	Year	Salary (\$)	Share-based awards ⁽¹⁾ (\$)	Option based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation		All Other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
					Annual Incentive plans ⁽³⁾ (\$)	Long term incentive plans (\$)		
John C. Lindgren <i>President and Chief Executive Officer</i>	2011	\$371,520 ⁽⁵⁾	\$333,933 ⁽⁶⁾	\$526,220	\$500,953	n/a	\$ 22,348 ⁽⁷⁾	\$1,754,974
	2010	\$381,123 ⁽⁵⁾	\$711,436 ⁽⁸⁾	\$187,200	\$495,126	n/a	\$238,612 ⁽⁹⁾	\$2,013,498
	2009	\$397,180 ⁽⁵⁾	\$279,900 ⁽¹⁰⁾	\$106,500	\$218,168	n/a	\$226,751 ⁽¹¹⁾	\$1,228,499
Joseph R. Brown <i>Vice President and Chief Financial Officer</i>	2011	\$230,000	\$ 91,232 ⁽¹²⁾	\$152,160	\$116,188	n/a	-	\$ 589,580
	2010	\$210,000	\$171,619 ⁽¹³⁾	\$ 83,200	\$113,526	n/a	-	\$ 578,345
	2009	\$200,000	\$122,780 ⁽¹⁴⁾	\$ 12,550	\$ 57,375	n/a	-	\$ 392,705
Nima Ahmadvand ⁽¹⁴⁾ <i>Vice President Telecommunications Technologies</i>	2011	\$215,000	\$211,920 ⁽¹⁵⁾	-	\$ 89,376	n/a	-	\$ 516,296
	2010	\$200,000	\$159,800 ⁽¹⁶⁾	\$31,950	\$ 76,100	n/a	-	\$ 435,900
	2009	\$180,000	\$ 46,640 ⁽¹⁷⁾	-	\$ 34,456	n/a	-	\$ 293,046
Phillip S. Shaer <i>Vice President, General Counsel and Corporate Secretary</i>	2011	\$225,000	\$ 86,702 ⁽¹⁸⁾	\$152,160	\$125,126	n/a	-	\$ 588,988
	2010	\$208,000	\$167,352 ⁽¹⁹⁾	\$ 83,200	\$135,150	n/a	-	\$ 593,702
	2009	\$200,000	\$156,524 ⁽²⁰⁾	\$ 9,259	\$ 52,125	n/a	\$ 893	\$ 418,801
Michael B. Vladescu <i>Vice President, Licensing and Intellectual Property</i>	2011	\$235,000	\$ 82,198 ⁽²¹⁾	\$152,160	\$143,000	n/a	-	\$ 612,358
	2010	\$227,000	\$163,085 ⁽²²⁾	\$ 83,200	\$183,488	n/a	-	\$ 656,773
	2009	\$220,000	\$ 81,620 ⁽²³⁾	\$ 74,550	\$ 71,550	n/a	\$ 564	\$ 448,284

(1) In fiscal 2006, the Corporation adopted a Deferred Share Unit Plan (the "DSU Plan") and in fiscal 2009, the Corporation adopted a Restricted Share Unit Plan (the "RSU Plan"), pursuant to which NEOs may be granted DSUs and/or RSUs, respectively. The DSU Plan and RSU Plan are described in detail in the section entitled "Report on Executive Compensation."

(2) The Corporation grants options to its directors, NEOs and other employees. The valuation of these option based awards is based on the value determined under the Black Scholes option valuation model at the time of the grant.

(3) Additional details as to the Annual Incentive plans of the NEOs are provided herein under the heading "Annual Bonus Awards."

(4) Unless otherwise stated, perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total of the annual salary and bonus for any of the NEOs.

(5) Mr. Lindgren's salary is US\$365,000. The noted dollar figure was converted at an approximate conversion rate of 1.0191 for FY11, an approximate conversion rate of 1.089 for FY10 and an approximate conversion rate of 1.119 in FY09.

(6) On October 6, 2010, Mr. Lindgren was granted 12,606 RSUs, which vest over three years, 33.33% on each of October 6, 2011, October 6, 2012 and October 6, 2013. On the day of grant, they had a value of \$26.49 each, which was the closing price of the Common Shares on October 5, 2010.

(7) The amount pertains to his final house lease payment, as well as related tax preparation and additional health insurance contributions, which the Corporation agreed would form part of Mr. Lindgren's compensation during fiscal 2011.

- (8) On December 1, 2009, Mr. Lindgren was granted 37,682 RSUs, which vest over three years, 33.33% on each of December 1, 2010, December 1, 2011 and December 1, 2012. On the day of grant, they had a value of \$18.88 each, which was the closing price of the Common Shares on November 30, 2009.
- (9) The majority of the noted amount (i.e., \$231,019) pertains to his house lease payment, as well as related tax preparation and additional health insurance contributions, which the Corporation agreed would form part of Mr. Lindgren's compensation during fiscal 2010.
- (10) On October 2, 2008, Mr. Lindgren was granted 15,000 RSUs, which vest over three years, 33.33% on each of October 2, 2009, October 2, 2010 and October 2, 2011. On the day of grant, they had a value of \$11.66 each, which was the closing price of the Common Shares on October 1, 2008. Mr. Lindgren was subsequently granted 10,000 RSUs on March 3, 2009, which vest over three years, 33.33% on each of March 3, 2010, March 3, 2011 and March 3, 2012. On the day of grant, they had a value of \$10.50 each, which was the closing price of the Common Shares on March 2, 2009.
- (11) The majority of the noted amount (i.e., \$213,246) pertains to his house lease, as well as related tax preparation and additional health insurance contributions, which the Corporation agreed would form part of Mr. Lindgren's compensation during fiscal 2009.
- (12) On October 6, 2010, Mr. Brown was granted 3,444 RSUs, which vest over three years, 33.33% on each of October 6, 2011, October 6, 2012 and October 6, 2013. On the day of grant, they had a value of \$26.49 each, which was the closing price of the Common Shares on October 5, 2010.
- (13) On December 1, 2009, Mr. Brown was granted 9,090 RSUs, which vest over three years, 33.33% on each of December 1, 2010, December 1, 2011 and December 1, 2012. On the day of grant, they had a value of \$18.88 each, which was the closing price of the Common Shares on November 30, 2009.
- (14) On October 2, 2008, Mr. Brown was granted 5,530 DSUs, which vest over four years, 25% on each of October 2, 2009, October 2, 2010, October 2, 2011 and October 2, 2012, and 5,000 RSUs, which vest over three years, 33.33% on each of October 2, 2009, October 2, 2010 and October 2, 2011. On the day of grant, they had a value of \$11.66 each, which was the closing price of the Common Shares on October 1, 2008.
- (15) On October 6, 2010, Mr. Ahmadvand was granted 2,798 RSUs, which vest over three years, 33.33% on each of October 6, 2011, October 6, 2012 and October 6, 2013, and 5,202 DSUs, which vest over four years, 25% on each of October 6, 2011, October 6, 2012, October 6, 2013 and October 6, 2014. On the day of grant, they had a value of \$26.49 each, which was the closing price of the Common Shares on October 5, 2010.
- (16) On December 1, 2009, Mr. Ahmadvand was granted 3,096 RSUs, which vest over three years, 33.33% on each of December 1, 2010, December 1, 2011 and December 1, 2012, and 5,368 DSUs, which vest over four years, 25% on each of December 1, 2010, December 1, 2011, December 1, 2012 and December 1, 2013. On the day of grant, they had a value of \$18.88 each, which was the closing price of the Common Shares on November 30, 2009.
- (17) On October 2, 2008, Mr. Ahmadvand was granted 4,000 RSUs, which vest over three years, 33.33% on each of October 2, 2009, October 2, 2010 and October 2, 2011. On the day of grant, they had a value of \$11.66 each, which was the closing price of the Common Shares on October 1, 2008.
- (18) On October 6, 2010, Mr. Shaer was granted 3,273 RSUs, which vest over three years, 33.33% on each of October 6, 2011, October 6, 2012 and October 6, 2013. On the day of grant, they had a value of \$26.49 each, which was the closing price of the Common Shares on October 5, 2010.
- (19) On December 1, 2009, Mr. Shaer was granted 8,864 RSUs, which vest over three years, 33.33% on each of December 1, 2010, December 1, 2011 and December 1, 2012. On the day of grant, they had a value of \$18.88 each, which was the closing price of the Common Shares on November 30, 2009.
- (20) On October 2, 2008, Mr. Shaer was granted 7,424 DSUs, which vest over four years, 25% on each of October 2, 2009, October 2, 2010, October 2, 2011 and October 2, 2012, and 6,000 RSUs, which vest over three years, 33.33% on each of October 2, 2009, October 2, 2010 and October 2, 2011. On the day of grant, they had a value of \$11.66 each, which was the closing price of the Common Shares on October 1, 2008.
- (21) On October 6, 2010, Mr. Vladescu was granted 3,103 RSUs, which vest over three years, 33.33% on each of October 6, 2011, October 6, 2012 and October 6, 2013. On the day of grant, they had a value of \$26.49 each, which was the closing price of the Common Shares on October 5, 2010.
- (22) On December 1, 2009, Mr. Vladescu was granted 8,638 RSUs, which vest over three years, 33.33% on each of December 1, 2010, December 1, 2011 and December 1, 2012. On the day of grant, they had a value of \$18.88 each, which was the closing price of the Common Shares on November 30, 2009.
- (23) On October 2, 2008, Mr. Vladescu was granted 7,000 RSUs, which vest over three years, 33.33% on each of October 2, 2009, October 2, 2010 and October 2, 2011. On the day of grant, they had a value of \$11.66 each, which was the closing price of the Common Shares on October 1, 2008.

Incentive Plan Awards

Outstanding unexercised option-based awards and unvested share-base awards

The following table includes all unexercised option-based awards and all unvested share-based awards outstanding to any of the Named Executive Officers as at April 30, 2011.

Name	Options Based awards				Share Based awards	
	Number of securities underlying unexercised options (#)	Option Exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)
John C. Lindgren	69,002	20.79	05 Sep 13	\$641,719	48,996	\$1,474,289
	50,000	11.66	02 Oct 14	\$921,500		
	45,000	18.88	01 Dec 15	\$504,450		
	83,000	26.49	06 Oct 16	\$298,800		
Joseph R. Brown	10,000	21.61	30 Sep 11	\$ 84,800	16,304	\$ 409,587
	5,892	11.66	02 Oct 14	\$108,590		
	20,000	18.88	01 Dec 15	\$224,200		
	24,000	26.49	06 Oct 16	\$ 86,400		
Nima Ahmadvand	10,000	20.79	05 Sep 13	\$ 93,000	15,424	\$ 464,109
	15,000	11.66	02 Oct 14	\$276,450		
Phillip S. Shaer	4,347	11.66	02 Oct 14	\$ 80,115	16,789	\$ 505,181
	20,000	18.88	01 Dec 15	\$224,200		
	24,000	26.49	06 Oct 16	\$ 86,400		
Michael B. Vladescu	10,000	21.61	30 Sep 11	\$ 84,800	14,946	\$ 449,726
	5,401	20.79	05 Sep 13	\$ 50,229		
	35,000	11.66	02 Oct 14	\$645,050		
	20,000	18.88	01 Dec 15	\$224,200		
	24,000	26.49	06 Oct 16	\$ 86,400		

⁽¹⁾ The value of unexercised in-the-money options is calculated using the closing price of \$30.09 on April 30, 2011 on the Toronto Stock Exchange, less the exercise price of those options, and includes all in-the-money options, whether vested or unvested.

⁽²⁾ The market value of the share-based awards that have not vested is calculated using the number of shares times the closing price of the Common Shares on April 30, 2011 which was \$30.09.

Incentive Plan Awards – value vested or earned during the year

The following table summarizes option-based awards and share-based awards that vested during fiscal 2011 to any of the Named Executive Officers.

Name	Option based awards – value vested during the year ⁽¹⁾ (\$)	Share based awards – value vested during the year ⁽²⁾ (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
John C. Lindgren	\$242,375	\$721,830	\$500,953
Joseph R Brown	\$ 57,956	\$208,214	\$116,188
Nima Ahmadvand	\$ 48,363	\$ 96,289	\$ 89,376
Phillip S. Shaer	\$ 53,251	\$215,784	\$125,126
Michael B. Vladescu	\$146,663	\$215,254	\$143,000

⁽¹⁾ The value of option based awards which vested during the year was determined by calculating the difference between the closing price of common shares on the Toronto Stock Exchange on the vesting date and the exercise price of the options.

⁽²⁾ The value of share-based awards which vested during the year was determined by multiplying the number of shares based awards (i.e., DSUs and/or RSUs) by the closing price on the applicable vesting date.

Composition of the Human Resources Committee

The Human Resources Committee is comprised of three independent directors, Jerry W. Mills, Barry J. Reiter (Chairman) and John P. Veschi.

Report on Executive Compensation

The Corporation's executive compensation program is designed to attract and retain competent, committed individuals, who will ensure the long-term success of the Corporation. Target compensation is intended to be competitive in the industry and is based upon outside market data, as noted below, as well as individual performance and experience level and is based on the personal knowledge and experience of the members of the Human Resources Committee (the "HR Committee"). The HR Committee has emphasized the pay for performance philosophy in order to maintain the position of the Corporation in a highly competitive business environment, as well as an equity model where a significant portion of the NEOs' compensation is based on stock performance.

The key components in determining the total compensation of the Named Executive Officers during fiscal 2011 were: (i) annual base salary; (ii) annual bonus awards; (iii) mid-term incentives consisting of RSUs, and (iv) long term incentives consisting of stock options and/or DSUs. The amount of emphasis on each component varies depending on the Named Executive Officer. For fiscal 2011, the compensation plans for all Named Executive Officers, excluding the President and Chief Executive Officer, were determined by the President and reviewed and approved by the HR Committee and, subsequently, by the Board.

Annual Base Salary

The mid-point of the salary range for each of the Named Executive Officers is targeted at the 75th percentile of the applicable comparator group based on a review of Canadian market based compensation surveys, such as TechEdge, ComplInsight Legal and ComplInsight High Technology. Actual salaries take into consideration the individual's position, responsibilities, and contribution to the Corporation's performance.

Annual Bonus Awards

The bonus portion of the target compensation is at risk (the "At-risk Incentive"), half of which is keyed to the attainment of specific business targets in the Corporation's internal operating plan and half of which is discretionary, and based on certain operational targets tied to an NEO's distinctive functions. If these predetermined specific business targets are not met, the Named Executive Officers will be paid less than the target rate for their respective positions. If the business targets are exceeded, the Named Executive Officers will have the potential to be paid in excess of the target rate.

In addition to the At-risk Incentive, the Board, when appropriate, may award additional discretionary bonuses to the Named Executive Officers due to an NEO's exceptional individual performance.

Long and Mid-Term Incentives

(a) Deferred Share Unit Plan

The Corporation believes the interests of its executives and non-employee directors should be aligned with the interests of its shareholders. Therefore, on September 30, 2005, the Corporation implemented a Deferred Share Unit Plan (the "**DSU Plan**"). Under the DSU Plan, Named Executive Officers and directors are entitled to elect to receive option grants to which they may be entitled, if any, during the following calendar year in the form of DSUs rather than options. The total number of DSUs which can be granted to an NEO is capped at the DSU Ownership Threshold applicable to the specific NEO (25,000 for President and Chief Executive Officer; 20,000 for Executive Vice Presidents/Senior Vice Presidents; and 15,000 for Vice-Presidents). DSUs granted in lieu of options currently vest over a four year period, 25% on the first, second, third and fourth anniversaries of the grant date. Vested DSUs are credited with dividend equivalents in the form of additional DSUs. DSUs do not have an exercise price. A DSU's value is based on the weighted average trading price of the Common Shares on the TSX on the five trading days immediately preceding the Distribution Date (as defined below) and can only be settled using cash consideration, no earlier than 90 days following the date the NEO has retired from, or ceased to hold, all positions with the Corporation (the "**Separation Date**") and no later than the last business day of the calendar year following the calendar year in which the Separation Date occurs (the "**Distribution Date**").

(b) Employee and Director Stock Option Plan

Increasing shareholder value is a paramount objective for the Corporation and all its Named Executive Officers. Therefore, Named Executive Officers typically participate in the Employee and Director Stock Option Plan, as more fully described in the section entitled "Equity Compensation Plan Information."

Striking a proper balance between short and long-term incentives is critical to the long-term health of the Corporation and to sustaining growth in shareholder value.

(c) Restricted Share Unit Plan

In order to further align the interests of the Corporation's employees, officers and non-employee directors with the interests of its shareholders, the Corporation, on April 18, 2008 implemented a Restricted Share Unit Plan (the "**RSU Plan**"). Under the RSU Plan, any director, officer or employee (each an "**Eligible Person**") of the Corporation may be granted RSUs. RSUs vest over a three year period, 33.33% on the first, second and third anniversaries of the grant date. RSUs do not have an exercise price. The Corporation has engaged a trustee to purchase Common Shares on the public market in connection with the granting of RSUs to Eligible Persons, which Common Shares are held by the trustee until such Eligible Person's RSUs vest, at which point, the Eligible Person may then obtain the Common Shares. Future RSU grants are contingent on an Eligible Person holding at least 50% of the Common Shares obtained in connection with all previous RSU grants.

Compensation of the President and Chief Executive Officer

The annual compensation plan for the President and Chief Executive Officer for fiscal 2011 was determined by the HR Committee, and reviewed and approved by the Board. The compensation of the President and Chief Executive Officer is set at a target amount which represents a competitive market rate based on the incumbent's experience and compensation surveys.

For fiscal 2011, the target compensation for John C. Lindgren, the Corporation's President and Chief Executive Officer was set at US\$640,000, consisting of a US\$365,000 salary and a US\$275,000 At-risk Incentive. The actual At-risk Incentive payout was US\$491,564. The business targets and relative weightings used in determining the At-risk Incentive payout were as follows:

Business Measures	Percentage of At-risk Incentive	Dollar Value of At-risk Incentive	Percentage of Potential At-risk Incentive Paid to CEO*	Dollar Value of Potential At-risk Incentive Paid to CEO
Net Revenue	25%	US\$ 68,750	123%	US\$ 84,219
Adjusted Pro forma Income	25%	US\$ 68,750	235%	US\$161,563
Discretionary Portion	50%	US\$137,500	179%	US\$245,781
Total	100%	US\$275,000	179%	US\$491,563

* The same percentages were applied to all other NEOs in fiscal 2011.

The HR Committee encourages equity ownership by the NEOs and non-employee directors, and is currently considering various approaches to increase same, including, for example, the proposed amendments to the Employee and Director Stock Purchase Plan detailed herein.

Presented by the Human Resources Committee: Jerry W. Mills, Barry J. Reiter (Chairman) and John P. Veschi.

Termination and Change of Control Benefits

Employment Contracts

Messrs. Lindgren, Brown, Ahmadvand, Shaer and Vladescu, each entered into an employment agreement with the Corporation providing for, amongst other things, a salary, bonus, possible equity awards and other standard types of benefits (see chart under "Summary Compensation" for detailed amounts of such compensation). Each agreement provides for the full vesting of all equity compensation upon a change of control, the continued vesting of all equity compensation in the event of a termination without cause, and include a one year non-solicitation obligation.

Pension Plan Benefits

The Corporation does not have in place any pension plan that provides for payments or benefits at, following, or in connection with retirement.

Payments on Termination

The following table provides details regarding the estimated incremental payments from the Corporation to each of the NEOs assuming termination without cause on April 30, 2011. Note that upon a change in control, in addition to the amounts detailed below, any equity held by the NEOs would become fully vested.

Name	Estimated Payments Related		Value of benefits ⁽³⁾
	Payments Related to Annual Base Salary ⁽¹⁾	to Bonus (based on 2010 awards) ⁽²⁾	
John C. Lindgren	\$743,048	\$550,000	\$30,748
Joseph R. Brown	\$460,000	\$130,000	\$31,409
Nima Ahmadvand	\$430,000	\$100,000	\$30,667
Phillip S. Shaer	\$450,000	\$140,000	\$31,373
Michael B. Vladescu	\$470,000	\$160,000	\$31,400

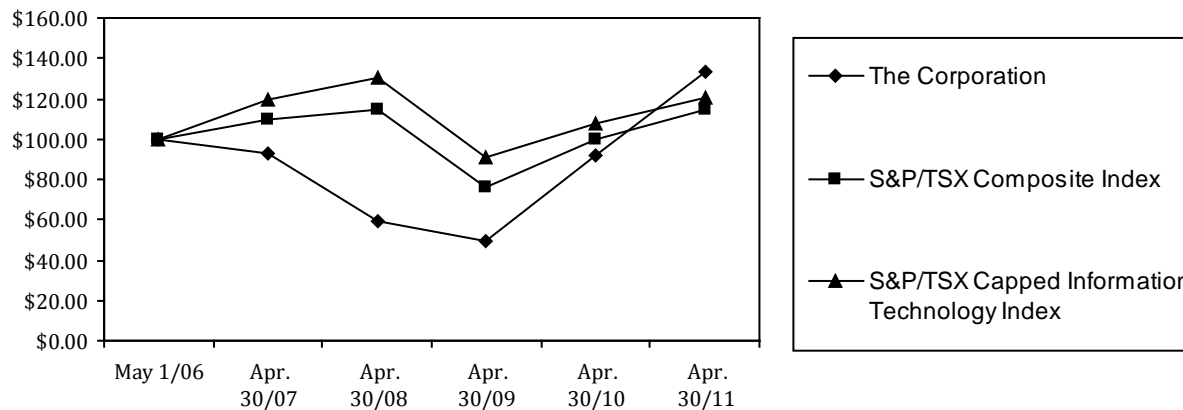
⁽¹⁾ Messrs. Lindgren, Brown, Ahmadvand, Shaer, and Vladescu each entered into an agreement with the Corporation which provides for two years salary in the event of a termination without cause.

⁽²⁾ Messrs. Lindgren, Brown, Ahmadvand, Shaer, and Vladescu each entered into an agreement with the Corporation which provides for two times their targeted incentive compensation in the event of a termination without cause.

⁽³⁾ Messrs. Lindgren, Brown, Ahmadvand, Shaer, and Vladescu each entered into an agreement with the Corporation which provides for \$30,000 in job relocation counseling services and the minimum payment for health benefits based on their respective years of employment.

Performance Graph

The following performance graph compares the yearly cumulative return to a shareholder who invested \$100 in the Common Shares on May 1, 2006 with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Capped Information Technology Index for the period from May 1, 2006 to April 30, 2011. The Corporation believes the return compares favourably with the trend in the NEOs' compensation since 2006.



	May 1/06	Apr. 30/07	Apr. 30/08	Apr. 30/09	Apr. 30/10	Apr. 30/11
The Corporation	\$100.00	\$ 93.00	\$ 59.36	\$49.71	\$ 91.82	\$133.76
S&P/TSX Composite Index	\$100.00	\$109.94	\$114.20	\$76.41	\$100.05	\$114.26
S&P/TSX Capped Information Technology Index	\$100.00	\$119.41	\$130.68	\$90.77	\$108.14	\$120.87

Compensation of Directors

Between May 1, 2009 and March 31, 2011, non-employee directors were compensated for their services as directors on the following basis:

Annual Director Retainer ("ADR")	\$25,000
Annual Chairman Retainer (Chairman does not receive ADR)	\$80,000
Annual Audit Committee Chair ("ACC") Retainer	\$20,000
Annual Committee Chair Retainer (except for ACC)	\$ 7,500
Annual Committee Member Retainer	\$ 1,500
In-Person Board Meetings/Annual General Meeting	\$ 1,300
Telephone Board Meetings	\$ 625
In-Person Committee Meetings	\$ 1,000
Telephone Committee Meetings	\$ 625

Non-employee directors attending in-person Board and/or committee meetings who do not live in the selected meeting area were also paid an additional \$350 per trip to said areas.

Since April 1, 2011, non-employee directors have been compensated for their services as directors on the following basis:

Annual Director Retainer and member of one committee	\$60,000
Annual Chairman of the Board Retainer	\$60,000
Annual Chairman of Audit Committee Retainer	\$20,000
Annual Chairman of Human Resources Committee Retainer	\$10,000
Annual Chairman of Corporate Governance & Nominating Committee	\$10,000
Member on an additional committee	\$ 5,000

Non-employee directors are also reimbursed for travel and other expenses incurred in connection with such attendance or conducting MOSAID business. Non-employee directors are no longer entitled to meeting or attendance fees.

Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's non-executive directors during the financial year ended April 30, 2011.

Name	Fees earned ⁽¹⁾ (\$)	Share based awards ⁽²⁾ (\$)	Option awards (\$)	All other compensation (\$)	Total (\$)
Carl P. Schlachte, Sr.	\$99,750	\$75,152	-	-	\$174,902
Eugene I. Davis ⁽³⁾	\$49,775	\$30,066	-	-	\$ 79,841
Robert M. Kramer ⁽⁴⁾	\$31,384	\$30,066	-	-	\$ 61,450
John B. Millard ⁽⁵⁾	\$28,117	-	-	-	\$ 28,117
Jerry W. Mills ⁽⁶⁾	\$ 5,817	-	-	-	\$ 5,817
Normand Y. Paquette	\$60,425	\$30,066	-	-	\$ 90,491
Barry J. Reiter	\$50,475	\$30,066	-	-	\$ 80,541

⁽¹⁾ Directors may elect to take their Annual Director's Retainer (during FY2011, \$25,000 paid in quarterly installments of \$6,250) in cash or in DSUs. For those electing DSUs, the number of DSUs granted is determined based on the five day weighted average of the Corporation's shares on the date such retainer would have otherwise been paid, namely on March 31, June 30, September 30 and December 31 of the applicable year. For calendar 2010, Mr. Millard and Mr. Reiter elected to take their Annual Director's Retainer in DSUs. Mr. Reiter also elected to take his Annual Director's Retainer in DSUs for calendar 2011.

⁽²⁾ On October 6, 2010, the Corporation's non-executive directors were granted equity compensation. At the director's election, they received DSUs. The DSUs granted vest over four years, 25% on each of October 6, 2011, October 6, 2012, October 6, 2013 and October 6, 2014. On the day of grant, they had a value of \$26.49 each, which was the closing price of the Common Shares on October 5, 2010.

⁽³⁾ Mr. Davis resigned from the Board on March 31, 2011.

⁽⁴⁾ Mr. Kramer resigned from the Board on January 17, 2011.

⁽⁵⁾ Mr. Millard resigned from the Board on September 23, 2010.

⁽⁶⁾ Mr. Mills was appointed to the Board on January 17, 2011.

Non-employee directors are eligible to receive grants of options, pursuant to the ESOP, in an amount determined by the Board, but which in total cannot exceed 0.25% in the aggregate of the total Common Shares outstanding. No options were granted to non-employee directors in fiscal 2011 and, in fact, in an effort to conserve the option pool for employees, non-employee directors voted unanimously in 2009 that future equity grants to non-employee directors should not be in the form of options. Non-employee directors are also entitled to elect to receive option grants to which they may be entitled, if any, during the following calendar year in the form of DSUs rather than options and may also opt to receive their annual director retainer, or a percentage thereof, in the form of DSUs. DSUs awarded in lieu of a director's annual director retainer are fully vested at the time of the award, while DSUs granted in lieu of options currently vest over a four year period, 25% on the first, second, third and fourth anniversaries of the grant date. Vested DSUs are credited with dividend equivalents in the form of additional DSUs.

Non-employee directors are also eligible to receive grants of RSUs, pursuant to the RSU Plan, in an amount determined by the Board. No RSUs were granted to non-employee directors in fiscal 2011.

Directors who are also employees of the Corporation receive no additional compensation for their activities as a director, over and above the remuneration and equity compensation listed in the table under "Executive Compensation."

Equity Ownership Guidelines

The Corporation believes that the interests of its executives and non-employee directors should be aligned with the interests of its shareholders. As a result, on September 30, 2005, the Board established the MOSAID Technologies Incorporated Equity Ownership Guidelines (the "Guidelines"), which recommend that executives and non-employee directors hold a certain number of Common Shares or share equivalents. Those guidelines were amended on June 24, 2009 and then again on June 15, 2011. Under the Guidelines, it is recommended that Covered Persons: (i) achieve the applicable Equity Ownership Levels within three years of the establishment of the Guidelines or, for an individual who becomes a Covered Person after the establishment of the Guidelines, within three years of that individual's qualification as a Covered Person; and (ii) hold the number of Common Shares or share equivalents recommended for so long as they are Covered Persons.

Covered Persons	Equity Ownership Level
Senior Executives	2 x Average Total Cash Compensation Over Preceding Three Years
Non-employee directors	3 x Annual Director's Retainer

The Guidelines may be achieved through the award of DSUs (whether vested or unvested), stock option exercises, purchases under the Purchase Plan (as defined below), through open market purchases or through any other equity plans, such as the RSU Plan, the Corporation may adopt from time to time. All NEOs and the majority of the Corporation's non-employee directors meet or exceed the suggested Guidelines and, in particular, John Lindgren, the President and Chief Executive Officer, using the closing price as at August 2, 2011, holds equity worth \$4,269,536, which is well in excess of two times his average cash compensation over the past three years.

Directors' and Officers' Insurance

The Corporation maintains directors' and officers' liability insurance, which, subject to certain exclusions, insures directors and officers of the Corporation against liability for acts or omissions in their capacities as directors or officers. It also insures the Corporation against all losses which it may incur in indemnifying officers and directors of the Corporation and insures the Corporation against liability for acts or omissions of the Corporation. The by-laws of the Corporation generally provide that the Corporation shall indemnify a director or officer of the Corporation against liability incurred in such capacity to the extent permitted or required by the CBCA. The maximum amount payable is \$10,000,000 per occurrence and \$10,000,000 per year subject, in the case of the Corporation, to a deductible of \$100,000 per occurrence. The premium payable for the primary directors' and officers' policy was \$52,500 for the period of April 30, 2010 to April 30, 2011. In addition to the primary policy, the Corporation pays for excess coverage of an additional \$10,000,000. The premium payable for the excess coverage policy was \$40,000 for the period of April 30, 2010 to April 30, 2011.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information about Common Shares that may be issued under the Corporation's equity compensation plans, both of which were approved by the Corporation's shareholders. Information in the table is as of April 30, 2011.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)(c) (a)(c)
Equity compensation plans approved by security holders:			
ESOP ⁽¹⁾	742,992 ⁽²⁾	\$19.92	321,935 ⁽³⁾
Employee & Director Stock Purchase Plan ⁽⁴⁾			1,171,697 ⁽⁵⁾

⁽¹⁾ Refers to Employee and Director Stock Option Plan described below.

⁽²⁾ Equal to 6.2% of the total issued and outstanding Common Shares as of April 30, 2011.

⁽³⁾ Equal to 2.7% of the total issued and outstanding Common Shares as of April 30, 2011.

⁽⁴⁾ Refers to Employee and Director Stock Purchase Plan described below.

⁽⁵⁾ Equal to 9.8% of the total issued and outstanding Common Shares as of April 30, 2011.

Employee and Director Stock Option Plan

In July 1993, the Corporation established an Employee and Director Stock Option Plan (“**ESOP**”). Since that time, the ESOP has been subject to several amendments, most recently on October 8, 2009, with shareholder approval. Certain amendments to the ESOP may be implemented by the Board, as per Section 19(a) thereof, and do not require shareholder approval.

Under the ESOP, eligible employees, consultants and directors of the Corporation and its subsidiaries (“**Participants**”) are entitled to receive stock options to purchase Common Shares in such numbers and on such terms, including vesting, as determined by the Human Resources Committee and approved by the Board. Option grants have a maximum term of ten years from the date of grant, although the Board’s practice is to grant options with a six year life. In the event of a merger, amalgamation, liquidation or dissolution involving the Corporation, Participants currently have thirty (30) days to exercise all or a portion of the options previously granted to purchase Common Shares, regardless of whether such options have previously vested.

Since the ESOP’s establishment in July 1993, the Corporation’s shareholders have approved an aggregate of 3,567,323 Common Shares which may be issued upon the exercise of stock options granted under the ESOP, 2,505,396 (representing 21.02% of the 11,918,104 Common Shares issued and outstanding as of August 3, 2011) of which have been exercised to date. Therefore, the maximum number of Common Shares which may currently be issued upon the exercise of stock options granted under the ESOP cannot exceed 1,061,927 Common Shares, which is equal to an approximate overhang of 8.9% of the Corporation’s issued and outstanding Common Shares.

The following restrictions apply to the ESOP: (i) the aggregate number of Common Shares issuable to insiders, at any time, under all of the Corporation’s security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares of the Corporations; (ii) insiders shall not be issued, under the ESOP and all of the Corporation’s other security based compensation arrangements, within any one year period, a number of Common Shares which exceeds 10% of the issued and outstanding Common Shares of the Corporation; and (iii) non-employee directors shall not be issued, within any one year period, a number of options which, in the aggregate, exceeds 0.25% in the aggregate of the issued and outstanding Common Shares.

Subject to the rules and policies of the TSX, the Board may, without notice or shareholder approval, at any time or from time to time, amend the ESOP for the purposes of: (i) making any amendments to the vesting provisions of each option set out in any stock option agreement; (ii) making any amendments to the option period of any option provided that no option held by an insider may be extended beyond its original expiry date and no option may be exercised after the tenth anniversary of the date of grant; (iii) making any amendments to the provisions set out in Section 10 and 11 of the ESOP; (iv) making any amendments to add covenants of the Corporation for the protection of Participants, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants; (v) making any amendments not inconsistent with the ESOP as may be necessary or desirable with respect to matter or questions, which in the good faith opinion of the Board, having in mind the best interests of the Participants, it may be expedient to make, provided that the Board shall be of the opinion that such amendments and medications will not be prejudicial to the interests of the Participants; or (vi) making any such changes or corrections which, on the advice of counsel to the Corporation, are required for the purposes of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants. Notwithstanding any other provision of the ESOP, none of the following amendments shall be made to the ESOP without approval of the TSX and the approval of Shareholders: (i) amendments to the ESOP which would increase the number of Common Shares issuable under the ESOP; (ii) amendments to the ESOP which would increase the number of Common Shares issuable to insiders under the ESOP; (iii) amendments to the ESOP which would increase the number of Common Shares issuable to non-employee directors under the ESOP; (iv) amendments that would extend the option period of any options held by insiders beyond the option period otherwise determined in accordance with the ESOP; (v) amendments that would reduce the option price of any options held by insiders; and (vi) the addition of any form of financial assistance to a Participant.

The purpose of the ESOP is to attract, retain and motivate Participants by providing them with the opportunity, through stock options, to acquire a proprietary interest in the Corporation and benefit from its growth. Options granted under the ESOP generally vest over four years, are non-assignable and, while the maximum term of any Option granted under the ESOP is ten years, Options are currently granted for a term of six years. As of August 3, 2011, there were an aggregate of 739,992 Common Shares (equal to approximately 6.2% of the Common Shares issued and outstanding) reserved for issuance pursuant to outstanding options previously granted under the ESOP. In addition, there were 321,935 Common Shares (equal to approximately 2.7% of the Common Shares issued and outstanding as of August 3, 2011) reserved for issuance pursuant to options that are still available to be granted to Participants.

A Participant may at any time during the exercise period, as determined by the Human Resources Committee, elect to purchase all or a portion of the Common Shares available for purchase by lump sum payment. The price at which the Common Shares may be purchased under the ESOP shall be determined by the Human Resources Committee at the time of grant but shall not be less than the closing price of the Common Shares on the TSX on the day prior to the date of the grant. If an employee is terminated for any reason other than death or a director ceases to be a director for any reason other than death, the Participant may elect, within thirty (30) days of termination unless otherwise determined by the Board, to purchase all or a portion of the remaining Common Shares that have vested at the time his or her position was terminated. In the event the Participant dies during the exercise period, his or her legal representative, at any time during the 180 days following the Participant's death, is permitted to exercise any previously unexercised vested options granted under the ESOP and to take delivery of all Common Shares previously purchased, but not delivered. Unless otherwise determined by the Corporation's Human Resource Committee or the Board at or after the date of grant, any options outstanding immediately prior to the occurrence of a change in control, but which are not then exercisable, shall become fully exercisable upon the occurrence of a change in control in accordance with the terms of the ESOP.

Employee and Director Stock Purchase Plan

In September 1998, the Corporation established an Employee and Director Stock Purchase Plan ("**Purchase Plan**"). The Purchase Plan is intended to assist the Corporation in attracting and retaining employees and to continue to provide competitive compensation to all employees. By participating in the Purchase Plan, the interests of employees and non-employee directors also become better aligned with those of the Corporation's shareholders. Under the Purchase Plan, active employees regularly employed by the Corporation or any of its subsidiaries and who have been employed for at least three months, may contribute a percentage of their total salary to purchase Common Shares. All non-employee directors may also participate.

Under the Purchase Plan, the aggregate number of Common Shares that may be issued is 1,500,000 (equal to approximately 12.6% of the total issued and outstanding Common Shares as of August 3, 2011) and the maximum number of Common Shares which may be issued in any one fiscal year shall not exceed 200,000 (equal to approximately 1.68% of the total issued and outstanding Common Shares as of August 3, 2011). If at any time, the Common Shares reserved for issuance under the Purchase Plan are not available in sufficient number to satisfy the purchase requirements, the Corporation shall apportion pro rata the available Common Shares among the participants and refund any excess contributions accordingly. During fiscal 2011, 13,474 Common Shares (equal to approximately 0.11% of the total issued and outstanding Common Shares as of August 3, 2011) were issued under the Purchase Plan. Since the inception of the Purchase Plan, 331,806 Common Shares (equal to approximately 2.78% of the total issued and outstanding Common Shares as of August 3, 2011) have been issued under the Purchase Plan.

Currently, pursuant to the terms of the Purchase Plan directors shall not be issued, within any one year period, a number of Common Shares which, in the aggregate, exceeds 0.25% of the issued and outstanding Common Shares of the Corporation. However, if approved, this limitation will be removed pursuant to the amendments to the Purchase Plan (see Approval of Amendments to the Purchase Plan).

No Common Shares may be issued under the Purchase Plan if, together with Common Shares issued under the ESOP and any other share compensation arrangements, such issuance would result in: (i) the aggregate number of Common Shares issuable to insiders under all of the Corporation's security based compensation arrangements exceeding 10% of the issued and outstanding Common Shares; or (ii) the issuance to insiders within a one year period of a number of Common Shares exceeding 10% of the issued and outstanding Common Shares. Common Shares acquired pursuant to the Purchase Plan are not subject to any restrictions on transfer other than those prescribed by applicable securities laws.

Employees electing to participate in the Purchase Plan may contribute up to a maximum of 5% of their total annual salary each year. For two six-month periods commencing on the second business day after the Corporation's second quarter or fiscal year end financial results are publicly announced (each an "**Offering Period**"), eligible employees will be given an opportunity to request that a percentage of their salary be deducted each pay period for the purpose of acquiring Common Shares. Such deductions shall commence on the first pay date which is a minimum of one week after the tenth day of the Offering Period and shall continue until the employee terminates his or her participation in the Purchase Plan or the Purchase Plan is terminated. Non-employee directors electing to participate in the Purchase Plan may contribute up to a maximum of 50% of the fees paid to that director in the preceding year in each Offering Period by paying a lump sum amount to the Corporation at the outset of the applicable Offering Period. The purchase price under the Purchase Plan shall be the lesser of 90% of the fair market value of the Common Shares, as determined by calculating the weighted average sale price for board lots as posted on the TSX the ten (10) trading days immediately preceding (i) the first day of the Offering Period in which the purchase date falls or (ii) the purchase date.

An employee's and a non-employee director's right to participate in the Purchase Plan terminates upon the termination of his/her employment/directorship for any reason. A leave of absence (whether with or without pay) of an employee from his or her employment with the Corporation shall not be treated as terminating such participant's participation in the Purchase Plan. An employee or a non-employee director is also entitled at any time to end his/her participation in the Purchase Plan. Rights under the Purchase Plan are not transferrable by an employee or a non-employee director other than by will or the laws of succession. In either instance, payroll deductions under the Purchase Plan shall cease and any payroll deductions credited to such employee's account shall be used to purchase Common Shares on the next purchase date.

Subject to the rules and policies of any stock exchange on which the Common Shares are listed and applicable law, the Board may, without notice or shareholder approval, at any time or from time to time, amend the Purchase Plan for the purposes of (i) making any amendments to the provisions of the Purchase Plan dealing with the termination of a Purchase Plan participant's participation in the Purchase Plan; (ii) making any amendments to add covenants of the Corporation for the protection of Purchase Plan participants, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Purchase Plan participants; (iii) making any amendments not inconsistent with the Purchase Plan as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the Board, having in mind the best interests of the Purchase Plan participants, it may be expedient to make, provided that the Board shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Purchase Plan participants; or (iv) making any such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Purchase Plan participants.

Notwithstanding any other provision of the Purchase Plan, none of the following amendments shall be made to the Purchase Plan without approval of the Toronto Stock Exchange and the approval of shareholders (i) amendments to the Purchase Plan which would increase the number of Common Shares issuable under the Purchase Plan, otherwise than pursuant to a share consolidation or subdivision, stock dividend or the like; (ii) amendments to the Purchase Plan which would increase the number of Common Shares issuable to Insiders under the Purchase Plan, otherwise than pursuant to a share consolidation or subdivision, stock dividend or the like; (iii) amendments to the Purchase Plan which would increase the number of Common Shares issuable to Directors under the Purchase Plan, otherwise than pursuant to a share consolidation or subdivision, stock dividend or the like; (iv) amendments that would reduce the Purchase Price payable by Insiders; and (v) the addition of any form of financial assistance to a Participant.

Subject to the terms of the Purchase Plan, the Board shall not alter or impair any rights or increase any obligation with respect to previously agreed upon terms under the Purchase Plan without the consent of the Purchase Plan participant.

In the event of a proposed or actual change in control of the Corporation, the Corporation shall require that each outstanding right hereunder be assumed or an equivalent right be substituted by the successor or purchaser corporation, unless the Purchase Plan is terminated.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed fiscal year of the Corporation was, a director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate of any one of them is, or at any time since the beginning of the most recently completed fiscal year of the Corporation has been, indebted to the Corporation or any of its subsidiaries or was indebted to another entity, which indebtedness is, or was at any time during the most recently completed fiscal year of the Corporation, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of Management, no director, officer or principal shareholder of the Corporation, nor any of their associates or affiliates, has or had any material interest, direct or indirect, in any material transactions during, or since, the Corporation's most recently completed fiscal year and no such transactions are proposed.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation which are to any substantial degree performed by an individual or company other than the directors or executive officers of the Corporation or a subsidiary.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board and Management consider good corporate governance to be central to the effective operation of the Corporation. As part of the Corporation's commitment to effective corporate governance, the Board, with the assistance of the Corporate Governance and Nominating Committee (the "**CG&N Committee**"), continually monitors changes in legal requirements and best practices, which has led to a number of reform recommendations, including the Board's Policy on Engagement with Shareholders on Governance Matters, the Majority Voting Policy and 'Say-on-Pay' Policy and Engagement with Shareholders Policy, each of which was recently approved by the Board.

During 2005, several changes were made to the corporate governance and corporate governance disclosure requirements applicable to the Corporation. Specifically, the Canadian Securities Administrators adopted in final form National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") and National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**"), both of which came into force on June 30, 2005 and effectively replaced the Corporate Governance Guidelines of the TSX. Also, amendments were made to Multilateral Instrument 52-110 - *Audit Committees* ("**MI 52-110**").

Set out below is a description of certain corporate governance practices of the Corporation, as required by NI 58-101.

Constitution and Independence of the Board

NP 58-201 recommends that boards of directors of reporting issuers be composed of a majority of independent directors. Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. As previously set out in the section entitled Election of Directors, all but one of the Corporation's directors, namely John C. Lindgren, the Corporation's President and CEO, are considered independent.

The Corporation has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of Management. In particular, the independent directors meet without Management present after every Board meeting. Further, individual directors may engage outside advisors at the expense of the Corporation in appropriate circumstances.

The Corporation and the Board recognize the significant commitment involved in being a member of the Board. Accordingly, directors are required to report all other directorships held and any other interest in, or relationship with, outside entities that could result in potential conflicts of interest. Currently, the following director nominees serve on the boards of directors of other reporting issuers, or their equivalents, as listed below.

Director Nominee	Reporting Issuer or Equivalent
J. Ian Giffen	RuggedCom Inc. Absolute Software Inc.
Barry J. Reiter	Craig Wireless Systems Ltd.
Carl P. Schlachte, Sr.	Immersion Technologies

Stewardship of the Corporation

The Board is responsible for the overall stewardship of the Corporation. This includes overseeing its operations and supervising Management, which is responsible for the day-to-day operations of the business. The Board discharges this responsibility directly and through the delegation of specific responsibilities to committees of the Board. In addition, the Board has established policies and procedures that limit the ability of Management to carry out certain specific activities without the prior approval of the Board. The Board has adopted a formal mandate as set out in Appendix A to this Circular.

The Board has developed position descriptions for the Chairman, the chairman of each committee and for the Chief Executive Officer.

Responsibility for orientation and education programs for new directors is assigned to the CG&N Committee. The CG&N Committee ensures that all new directors receive a comprehensive orientation so that each new director fully understands the role of the Board and its committees, as well as the contribution individual directors are expected to make. New directors, as

part of that orientation, meet with Management to discuss the business of the Corporation and receive a binder of relevant corporate and Board information.

The CG&N Committee is also responsible for arranging continuing education for directors in order to ensure that the directors maintain and enhance the skill and knowledge necessary to meet their obligations as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remain current.

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**"), which governs the behaviour of directors, officers and employees of the Corporation. The Code is set out in Appendix B to this Circular and is available through SEDAR at www.sedar.com and on the Corporation's website at www.mosaaid.com. The Board is responsible for monitoring compliance with the Code, thus, any questionable incidents are reported by Management.

The Board has also established a Whistleblower Protection Policy on Financial Matters to encourage employees, officers and directors to raise concerns regarding accounting, internal controls and auditing matters on a confidential basis free from discrimination, retaliation or harassment. The Whistleblower Protection Policy on Financial Matters is available on the Corporation's website at www.mosaaid.com.

In addition, in order to ensure independent judgment in considering transactions/agreements in which a director/officer has a material interest, all related party transactions are reviewed and approved by the Audit Committee and, subsequently, the Board.

The Board also regularly assesses the potential risks to the Corporation and, among other things, in connection therewith, includes as a standing item on the quarterly Board agenda a discussion of risk with Management, and considers it thoroughly during the annual strategic planning process.

Committees

The Corporation has three committees: the Audit Committee, the Corporate Governance and Nominating Committee and the Human Resources Committee. Each of the committees has a mandate defining its responsibilities which is available on the Corporation's website at www.mosaaid.com.

Audit Committee

The Audit Committee, on behalf of the Board, has oversight responsibility for the Corporation's audit and financial reporting processes and the quality of its financial reporting. The Audit Committee is comprised entirely of independent directors, J. Ian Giffen, Normand Y. Paquette (Chairman) and Carl P. Schlachte, Sr., all of whom are financially literate. The Audit Committee approves, monitors, evaluates, advises and makes recommendations to the Board on matters affecting the external audit and the financial reporting and accounting control policies and practices of the Corporation.

The external auditors report directly to the Audit Committee. The Audit Committee meets at least quarterly to review quarterly financial statements and management's discussion and analysis, and meets at least twice annually with the Corporation's external auditors. The Audit Committee discusses with the external auditors, among other things, the annual audit, the adequacy and effectiveness of the Corporation's internal control and management information systems, and reviews the annual financial statements with the external auditors.

Corporate Governance and Nominating Committee

The CG&N Committee, on behalf of the Board, focuses on measuring corporate performance with respect to governance standards, and on monitoring corporate governance issues. It also supports the Board by identifying individuals qualified to become directors and recommending director nominees. The process of identifying new candidates for Board nomination begins with the annual evaluation of the effectiveness of the Board, its committees and individual directors. New candidates are then identified through interviews with current directors and industry contacts. The Board believes this process ensures effective nominations, including the recent appointments of Messrs Giffen, Mills and Veschi. The Board, with the assistance of the CG&N Committee, has adopted a Board review process which (a) provides directors with an opportunity once each year to evaluate the Board and each committee's performance and to make suggestions for their respective improvement; and (b) provides an opportunity for the Board to comment on each director's individual performance and to make suggestions for improvement. The review process relates directly to the roles and responsibilities of the Board, each of its committees and each individual director as set out in the Board and committees' respective mandates. The CG&N Committee is comprised entirely of independent directors, J. Ian Giffen, Barry J. Reiter (Chairman) and Carl P. Schlachte Sr.

Human Resources Committee

The Human Resources Committee, on behalf of the Board, is responsible for overseeing the Corporation's human resource strategies, for monitoring, reviewing, approving and recommending certain matters related to senior executive compensation, and for ensuring compliance with compensation disclosure requirements. The Human Resources Committee also annually reviews and assesses the performance of the CEO. The Human Resources Committee is comprised entirely of independent directors, Jerry W. Mills, Barry J. Reiter (Chairman) and John P. Veschi, each of whom has some background and experience in compensation and other human resource matters. For more information on the Human Resources Committee, see the section entitled "Executive Compensation."

APPOINTMENT OF AUDITORS

It is intended to vote the proxy solicited hereby (unless the shareholder directs therein that his or her Common Shares be withheld from voting in the appointment of the Corporation's auditors) to re-appoint Deloitte & Touche LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the Board to fix the auditors' remuneration.

The Audit Committee has considered whether the provision of services other than audit services is compatible with maintaining the auditors' independence. The Audit Committee has adopted a policy that limits the type of services provided by the auditors and prescribes pre-approval of all non-audit services. The Audit Committee reviews the fees paid by the Corporation to the auditors and the relationship with the auditors to ensure that these do not bear on the auditors' independence. The total fees paid to Deloitte & Touche LLP for the audit and audit-related work performed for the Corporation were \$167,270 for the year ended April 30, 2011, including consultations related to financial reporting matters, and IFRS. The total fees paid to Deloitte & Touche LLP for non-audit work, including consultations related tax planning and corporate income tax compliance were \$42,800 for the year ended April 30, 2011.

Additional information with respect to the Corporation's Audit Committee and its members, as required by MI 52-110, can be found in the section entitled "Additional Information" in the Corporation's Annual Information Form for the year ended April 30, 2011 (available at www.sedar.com).

ADVISORY VOTE ON EXECUTIVE COMPENSATION

The shareholders of the Corporation will be asked at the Meeting to consider and, if thought advisable, approve an ordinary resolution, the full text of which is set out in Appendix C to this Circular (the "**Advisory Resolution**"), accepting the approach to executive compensation as presented by the Human Resources Committee and disclosed in this Circular.

The Corporation's Board believes that its shareholders should have the opportunity to fully understand the objectives, philosophy and principles that it has used to make executive compensation decisions. Our executive compensation program, developed under the direction of the Human Resources Committee, has been designed to attract, motivate and retain a highly qualified executive team and directly link their pay to attaining our corporate performance objectives. In addition to promoting pay for performance, our compensation program is designed to align our executives' interests with those of our shareholders by linking executive compensation to our performance. Our program is designed to provide a balance between short-term and longer-term compensation awards to ensure the Corporation meets short-term objectives while continuing to provide shareholder value over the longer-term.

Recommendation of the Board

The shareholder advisory vote gives shareholders of the Corporation the opportunity to indicate the acceptance of our approach to executive compensation. Since the vote is advisory, it will not be binding on the Board. However, the Board and the Human Resources Committee will take into account the outcome of the vote when considering our future approach to executive compensation. The Board recommends that the shareholders approve the Advisory Resolution accepting the approach to executive compensation as presented by the Human Resources Committee and disclosed in this Circular.

RECONFIRMATION OF THE SHAREHOLDER RIGHTS PLAN

The shareholders of the Corporation will be asked at the Meeting to consider and, if thought advisable, approve an ordinary resolution, the full text of which is set out in Appendix D to this Circular (the “**Rights Plan Resolution**”), reconfirming the continued existence of a shareholder rights plan dated as of July 8, 2005 between the Corporation and CIBC Mellon Trust Company (the “**Rights Plan**”).

The Board has determined that the Rights Plan is in the best interests of the Corporation and its shareholders and recommends that the shareholders vote in favour of the Rights Plan. The Rights Plan was not adopted in response to any specific proposal or intention to acquire control of the Corporation.

Purpose of the Rights Plan

Many public companies in Canada have shareholder rights plans in effect. While securities legislation in Canada requires a take-over bid to be open for at least 35 days, the Board is concerned that this is too short a response time for companies that are subject to unsolicited take-over bids to ensure that shareholders are offered full and fair value for their shares. The Rights Plan is designed to give the Corporation’s shareholders sufficient time to properly assess a take-over bid without undue pressure and to give the Board time to consider alternatives designed to allow the Corporation’s shareholders to receive full and fair value for their Common Shares.

The Board is also concerned that current Canadian take-over bid rules permit an acquiring person to obtain control or effective control of the Corporation without treating all shareholders equally. The Rights Plan is not intended to prevent a take-over bid or deter offers for Common Shares. It is designed to encourage any bidder to provide shareholders with equal treatment and full value for their Common Shares. A summary of the Rights Plan is found below.

Board Review of the Rights Plan

In implementing the Rights Plan and recommending that shareholders vote in favour of the Rights Plan, the Board considered matters including recent experience involving rights plans in the context of take-over bids, recent developments in shareholder rights plans, the terms and conditions of rights plans recently adopted by other Canadian companies and the commentary of the investment community on rights plans, including the published guidelines of large institutional investors.

It is not the intention of the Board, in implementing the Rights Plan and proposing that it be approved by shareholders, to secure the continuance in office of the existing members of the Board or Management, or to avoid an acquisition of control of the Corporation in a transaction that is fair and in the best interests of shareholders. The Rights Plan will not detract from or lessen the duty of the Board to act honestly and in good faith with a view to the best interests of the Corporation. The Board will continue to have the duty and power to take such actions and make such recommendations to shareholders of the Corporation as are considered appropriate.

Summary of the Rights Plan

The following is a summary of the principal terms of the Rights Plan which is qualified in its entirety by reference to the text of the Rights Plan. A copy of the complete Rights Plan, together with a copy of a material change report dated July 11, 2005, were filed with the Canadian Securities Administrators and are available on SEDAR. Copies are also available from the Corporate Secretary of the Corporation at its head office located at 11 Hines Road, Suite 203, Ottawa, Ontario K2K 2X1, Canada. All capitalized terms used in this summary without definition have the meanings attributed to them in the Rights Plan.

Effective Date and Term

The Rights Plan came into effect on July 8, 2005 and was, subsequently, approved by shareholders at the September 16, 2005 Annual and Special Meeting of Shareholders (the “**2005 Meeting**”) and then reconfirmed at the October 1, 2008 Annual and Special Meeting of Shareholders (the “**2008 Meeting**”). Subject to periodic confirmation by shareholders as discussed below, it will remain in effect until the close of business on the ninth anniversary of the 2005 Meeting.

Shareholder Approval

The Rights Plan was approved by more than 77% of the votes cast at the 2005 Meeting by shareholders present or voting by proxy, and by more than 97% of the votes cast at the 2008 Meeting by shareholders present or voting by proxy. The Rights Plan must be reconfirmed by more than 50% of the votes cast at this Meeting.

Issue of Rights

Immediately upon the Rights Plan coming into effect, one Right was issued and attached to each Common Share outstanding and will attach to each Common Share subsequently issued.

Rights Exercise Privilege

The Rights will separate from the Common Shares and will be exercisable ten trading days (the “**Separation Time**”) after a person has acquired 20% or more of, or commences or announces a take-over bid for, the Corporation’s outstanding Common Shares, other than by an acquisition pursuant to a Permitted Bid or a Competing Permitted Bid. The acquisition by an Acquiring Person of 20% or more of the Common Shares is referred to as a “**Flip-in Event.**” When a Flip-in Event occurs each Right (except for Rights beneficially owned by an Acquiring Person or certain transferees of an Acquiring Person, which Rights will be void pursuant to the Rights Plan Agreement) becomes a right to purchase from the Corporation, upon exercise thereof in accordance with the terms of the Rights Plan Agreement, that number of Common Shares having an aggregate market price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be subject to adjustment in accordance with the Rights Plan Agreement). The Exercise Price for the Rights provided for in the Rights Plan is \$200. As an example, if at the time of the Flip-in Event the Common Shares have a market price of \$50, the holder of each Right would be entitled to receive \$400 (twice the Exercise Price) in market value of the Common Shares (8 Common Shares) for \$200, i.e., at a 50% discount.

The issue of the Rights is not initially dilutive. However, upon a Flip-in Event occurring and the Rights separating from the Common Shares, reported earnings per share may be affected. Holders of Rights not exercising their Rights upon the occurrence of a Flip-in Event may suffer substantial dilution.

Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Any offer other than a Permitted Bid or a Competing Permitted Bid will become prohibitively expensive for the Acquiring Person. The Rights Plan is therefore designed to require any person interested in acquiring more than 20% of the Common Shares to do so by way of a Permitted Bid or a Competing Permitted Bid or to make an offer which the Board considers to represent the full value of the Common Shares.

Certificates and Transferability

Prior to the Separation Time, the Rights will be evidenced by a legend imprinted on the Common Share certificates of the Corporation and will not be transferable separately from the Common Shares. Your Common Share certificates do not need to be exchanged to entitle you to these Rights. The legend will be on all new certificates issued by the Corporation after the Effective Date. From and after the Separation Time, the Rights will be evidenced by Rights certificates and will be transferable separately from the Common Shares.

Permitted Bid Requirements

The Permitted Bid requirements include the following:

- (i) the take-over bid must be made by way of a take-over bid circular;
- (ii) the take-over bid must be made to all holders of Common Shares;
- (iii) the take-over bid must be outstanding for a minimum period of 60 days and Common Shares tendered pursuant to the take-over bid may not be taken up prior to the expiry of the 60 days period and only if at such time more than 50% of the Common Shares held by the shareholders, other than the bidder, its affiliates and persons acting jointly or in concert and certain other persons (the “**Independent Shareholders**”), have been tendered to the take-over bid and not withdrawn;
- (iv) the Common Shares deposited pursuant to the bid may be withdrawn until taken up or paid for; and
- (v) if more than 50% of the Common Shares held by Independent Shareholders are tendered pursuant to the take-over bid within the 60 day period, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Common Shares for an additional 10 business days from the date of such public announcement.

The Rights Plan allows for a competing Permitted Bid (a “**Competing Permitted Bid**”) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all of the requirements of a Permitted Bid except that no Common Shares will be taken up or paid for pursuant to the Competing Permitted Bid prior to the close of business on a date that is no earlier than the later of: (a) 35 days after the date of the Competing Permitted Bid; and (b) the 60th day after the earliest date on which any other Permitted Bid that is then in existence was made.

Waiver

The Board, acting in good faith, may, prior to the occurrence of a Flip-in Event, waive the application of the Rights Plan to a particular Flip-in Event (an “**Exempt Acquisition**”) where the take-over bid is made by a take-over bid circular to all holders of Common Shares. Where the Board exercises the waiver power for one take-over bid, the waiver will also apply to any other take-over bid for the Corporation made by a take-over bid circular to all holders of Common Shares prior to the expiry of any other bid for which the Rights Plan has been waived.

Redemption

The Board, with the approval of the majority of votes cast by shareholders (or the holders of the Rights if the Separation Time has occurred) voting in person and by proxy, at a meeting duly called for that purpose, may redeem all of the then outstanding Rights at \$0.0001 per Right as adjusted by the terms of the Rights Plan. Rights may also be redeemed by the Board without such approval following completion of a Permitted Bid, Competing Permitted Bid or Exempt Acquisition.

Amendment

The Board may amend the Rights Plan with the approval of a majority of votes cast by shareholders (or the holders of the Rights if the Separation Time has occurred) voting in person and by proxy at a meeting duly called for that purpose. The Board, without such approval, may correct clerical or typographical errors and, subject to the subsequent approval as noted above at the next meeting of the shareholders (or holders of Rights, as the case may be), may make amendments to the Rights Plan to maintain its validity due to changes in applicable legislation.

Exemptions for Investment Advisors

Investment advisors (for fully managed accounts), mutual funds and their managers, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds, administrators of registered pension plans and crown agents acquiring greater than 20% of the Common Shares are exempted from triggering a Flip-in Event, provided that they are not making, and are not part of a group making, a take-over bid.

Certain Canadian Federal Income Tax Considerations of the Rights Plan

The Corporation will not have any income for the purposes of the *Income Tax Act* (Canada) (the “**ITA**”) as a result of the issuance of the Rights. The ITA provides that the value of a right to acquire additional shares of a corporation is not a taxable benefit which must be included in computing income of a shareholder, and is not subject to non-resident withholding tax, if the right is conferred on all holders of common shares. Although the Rights are to be so conferred, the Rights could become void in the hands of certain holders of Common Shares upon certain triggering events occurring (such as a Flip-in Event) and, consequently, whether or not the issuance of the Rights is a taxable event is not entirely free from doubt. In any event, no amount must be included in computing income of a shareholder if the Rights do not have a monetary value at the date of issue. The Corporation considers that the Rights, when issued, will have negligible monetary value as a result of there being only a remote possibility that the Rights will ever be exercised. A holder of Rights may have income or be subject to withholding tax under the ITA if the Rights become exercisable or are exercised. A holder of Rights may be subject to tax in respect of the proceeds of disposition of such Rights.

This commentary is of a general nature only and is not intended to constitute nor should it be construed to constitute legal or tax advice to any particular holder of Common Shares. Such shareholders are advised to consult their own tax advisors regarding the consequences of acquiring, holding, exercising or otherwise disposing of their Rights, taking into account their own particular circumstances and any applicable foreign, provincial or territorial legislation.

Eligibility for Investment in Canada

Provided that the Corporation remains a “public corporation” for purposes of the ITA at all material times and, provided that the Corporation deals at arm’s length at all material times with each person who is an annuitant, a beneficiary, an employer or a subscriber, as the case may be, under a registered retirement savings plan, a registered retirement income fund, a deferred

profit sharing plan (collectively, the “Plans”) or a registered education savings plan, the Rights will be qualified investments under the ITA for the Plans or a registered education savings plan.

Recommendation of the Board

In order for the Rights Plan to remain effective, the Rights Plan Resolution must be approved by a majority of the votes cast by the shareholders who vote in respect of the Rights Plan Resolution. The Board recommends that the shareholders reconfirm the Rights Plan and vote for the Rights Plan Resolution.

APPROVAL OF AMENDMENTS TO THE PURCHASE PLAN

Shareholders of the Corporation will be asked at the Meeting to consider, and if thought advisable, to approve an ordinary resolution, the full text of which is set out in Appendix E to this Circular (the “Purchase Plan Resolution”), to amend the Purchase Plan. The changes to the Purchase Plan proposed are as follows:

- (a) increase the maximum participation amount of Employees (as defined in the Purchase Plan) from 5% to 15% of their Annual Compensation (as defined in the Purchase Plan), provided, however, that for any Employee whose Payroll Deduction (as defined in the Purchase Plan) exceeds 5% of their Annual Compensation, the Common Shares purchased with such excess amount must be held by such Employee for a minimum of six months following the applicable Purchase Date (as defined in the Purchase Plan);
- (b) amend the enrollment provisions so that Eligible Persons (as defined in the Purchase Plan) will be entitled to enroll until the tenth trading day immediately following the lifting of a Blackout Period (as defined in the Purchase Plan) in the event that the deadline for providing a subscription agreement is during a Blackout Period; and
- (c) remove the annual 0.25% participation limit placed on non-employee directors.

Management believes these proposed changes are appropriate primarily because both incite employees and non-employee directors to own additional Common Shares in the Corporation, further aligning their interests with those of the Corporation’s shareholders.

A black-lined copy of the Purchase Plan reflecting the Amendments is attached as Exhibit “A” to the Purchase Plan Resolution. Management is of the opinion that the Amendments would be beneficial to the Corporation as they will encourage increased ownership by employees and the non-employee directors. Accordingly, Management strongly urges shareholders to approve the Amendments.

Recommendation of the Board

The Corporation has received conditional approval for the Amendments from the TSX. In order for the Amendments to become effective, the Purchase Plan Resolution must be passed by a majority of the votes cast by the shareholders who vote in respect of the Purchase Plan Resolution. The Board believes the Amendments are in the best interests of the Corporation and its shareholders and, therefore, recommends that the shareholders approve the Amendments by voting for the Purchase Plan Resolution.

APPROVAL OF AMENDMENTS TO THE ESOP

Shareholders of the Corporation will be asked at the Meeting to consider, and if thought advisable, to approve an ordinary resolution, the full text of which is set out in Appendix F to this Circular (the “ESOP Resolution”), to amend the ESOP. The change to the ESOP proposed is to increase the number of Common Shares which may be issued upon the exercise of options granted under the ESOP by 500,000, for a total reserve of 1,561,927 (representing 13.11% of the 11,918,104 Common Shares issued and outstanding as of August 3, 2011). If the resolution is passed, Shareholders will have then approved, since the ESOP’s establishment more than 16 years ago, in July 1993, an aggregate of 4,067,323 Common Shares which may be issued upon the exercise of stock options.

Management believes this proposed change is appropriate for several reasons. First, the Corporation has not requested an increase to the number of Common Shares that may be issued pursuant to options granted under the ESOP since October 2009. As a result, the maximum number of Common Shares which may currently be issued upon the exercise of stock options granted under the ESOP cannot exceed 1,061,927. However, of those 1,061,927, there is currently an aggregate of 739,992 Common

Shares reserved for issuance pursuant to outstanding options granted under the ESOP. Therefore, there are only 321,935 Common Shares reserved for issuance pursuant to options that are still available to be granted to Participants. Management does not believe that 321,935 Common Shares will be sufficient during the next few years to meet the goals of the ESOP or to make a competitive offering of options to employees. Second, the ESOP's current overhang is equal to 8.91% of the Corporation's issued and outstanding Common Shares. Overhang, calculated as a percentage, quantifies the potential shareholder dilution resulting from option grants. It is calculated using the following formula: all options available for issue and options outstanding divided by the total company shares issued and outstanding multiplied by 100 $((321,935 + 739,992)/11,918,104) \times 100 = 8.91\%$. If the resolution is approved, the overhang will then be 13.11% $((821,935 + 739,992)/11,918,104) \times 100 = 13.11\%$, which the Corporation believes does not represent an undue dilution of its shareholders. Further, during fiscal 2010 and 2011, the Corporation granted 192,900 and 218,050 options to purchase Common Shares, respectively, which is equal to an average burn rate of 1.7% (1.6% in fiscal 2010 and 1.8% in fiscal 2011, each as compared to the 11,918,104 Common Shares issued and outstanding), which Management believes compares very favourably with other companies in the Corporation's peer group. Finally, in Management's view, it is necessary and appropriate to increase the specified number of Common Shares issuable upon the exercise of options granted under the ESOP in order to permit the continued grant of options to attract and retain talented individuals.

Recommendation of the Board

The Corporation has received conditional approval for the amendment from the TSX. In order for the amendment to become effective, the ESOP Resolution must be passed by a majority of the votes cast by the shareholders who vote in respect of the ESOP Resolution. The Board believes the amendment is in the best interests of the Corporation and its shareholders and, therefore, recommends that the shareholders approve the amendment by voting for the ESOP Resolution.

APPROVAL OF THE STOCK SPLIT

Shareholders of the Corporation will be asked at the Meeting to consider, and if thought advisable, to approve a special resolution, the full text of which is set out in Appendix G to this Circular (the "**Stock Split Resolution**"), amending the Corporation's articles of incorporation to divide the issued and outstanding Common Shares on a two-for-one basis (the "**Stock Split**"). For greater certainty, one additional Common Share will be issued for each one Common Share currently issued and outstanding.

The Board believes that, if the Stock Split is implemented, having a greater number of Common Shares at a reduced price per Common share will enhance trading liquidity, increase investor interest in the Corporation and its business, bring the trading price into a more accessible range for retail investors and encourage a wider distribution of the Common Shares. If the Stock Split Resolution is approved, the Board may, in its discretion, decide not to implement the Stock Split and therefore not file any amendment to the Corporation's articles to effect such Stock Split. The Stock Split may be implemented, in the Board's sole discretion, at any time prior to the Corporation's next annual general meeting of shareholders.

The Stock Split will not change the rights of holders of Common Shares. Each Common Share outstanding after the Stock Split will be entitled to one vote and will be fully paid and non-assessable. Under existing Canadian income tax law and taking into account all published proposals and amendments, the proposed Stock Split will not result in taxable income or in any gain or loss to the holders of Common Shares. In computing any gain or loss on the disposition of the Common Shares, holders of Common Shares will be required to reduce the adjusted cost base of each Common Share to an amount equal to one half of the adjusted cost base of each Common Share currently held.

If the Stock Split Resolution is passed, and the Board determines to implement the Stock Split, the Corporation will press release and announce the Stock Split record date and the Common Shares of the Corporation will commence trading on the TSX on a split basis at the opening of trading on the second business day prior to the Stock Split record date. The Stock Split will be completed by the "push out" method. For Common Shares issued under the "book-entry system" new certificates will not be issued. Certificates representing Common Shares shall continue to represent the same number of Common Shares provided that the holders of such certificates will be entitled to receive a further certificate representing one additional Common Share for every Common Share held at the close of business on the Stock Split record date. **Issued share certificates should be retained by the holders thereof and should not be sent to the Corporation or to the Corporation's transfer agent.**

Recommendation of the Board

The Stock Split has received the conditional approval of the TSX. To be approved, the Stock Split Resolution to give effect to the Stock Split must be passed by not less than 66 ⅔% of the votes cast by the shareholders who vote in respect of the Stock Split

Resolution. The Board believes the Stock Split is in the best interests of the Corporation and its shareholders and, therefore, recommends that the shareholders approve the amendment by voting for the Stock Split Resolution.

SHAREHOLDER PROPOSALS FOR NEXT YEAR'S ANNUAL MEETING

The CBCA permits certain eligible shareholders of the Corporation to submit shareholder proposals to the Corporation, which proposals may be included in a management proxy circular relating to an annual meeting of shareholders. The final date by which the Corporation must receive shareholder proposals for the annual meeting of shareholders of the Corporation to be held in 2012 is April 30, 2012. Proposals should be mailed to the Corporation's Corporate Secretary at 11 Hines Road, Suite 203, Ottawa, Ontario K2K 2X1, Canada.

ADDITIONAL INFORMATION

Additional financial information relating to the Corporation is contained in the Corporation's Annual Information Form for the year ended April 30, 2011, the Corporation's audited consolidated financial statements for the year ended April 30, 2011 and Management's Discussion and Analysis thereon. Copies of these documents are available upon written request to the Corporation's Corporate Secretary at 11 Hines Road, Suite 203, Ottawa, Ontario K2K 2X1, Canada. All of the Corporation's public documents are filed with SEDAR and may be found on the following website: www.sedar.com.

Copies of the above documents will be provided free of charge to the Corporation's shareholders.

DIRECTORS' APPROVAL

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

Ottawa, Ontario, Canada, August 3, 2011.

By Order of the Board of Directors



Phillip S. Shaer
Vice President, General Counsel
and Corporate Secretary

APPENDIX A

BOARD OF DIRECTORS

MANDATE

Appointment

Directors of MOSAID Technologies Incorporated (“**MOSAID**”) are elected annually by MOSAID’s shareholders and, together with those appointed to fill vacancies or appointed as additional directors throughout the year, collectively constitute MOSAID’s Board of Directors (the “**Board**”). The Board subsequently elects a Chairperson of the Board (the “**Chairperson**”) who is not a member of MOSAID’s management. At all times, a majority of the Board and its committees are comprised of directors who are “independent.”

Purpose and Responsibilities

In addition to the duties of directors of a Canadian corporation as prescribed by statute, the Board is responsible for the stewardship of MOSAID, overseeing its operations and supervising MOSAID’s management (“**Management**”), which is responsible for the day-to-day conduct of the business.

Specifically, the Board shall:

- (a) set standards for MOSAID in terms of moral and ethical norms, as well as interpersonal relationships and corporate social responsibility;
- (b) satisfy itself, to the extent feasible, as to the integrity of the Chief Executive Officer (the “**CEO**”) and other senior executives (the “**Senior Executives**”) and that the CEO and other Senior Executives create a culture of integrity throughout MOSAID;
- (c) monitor compliance with MOSAID’s Code of Business Conduct and Ethics (the “**Code**”) and, as appropriate, grant any waivers to the Code;
- (d) appoint/terminate the CEO pursuant to the recommendations of the Human Resources Committee;
- (e) be responsible for succession planning for the CEO and the other Senior Executives pursuant to the recommendations of the Human Resources Committee;
- (f) approve the compensation plan, as well as the compensation to be paid pursuant to the discretionary portion of the senior management compensation plan for the CEO and the other Senior Executives annually, and any special bonuses to be paid to such individuals pursuant to the recommendations of the Human Resources Committee;
- (g) review and approve equity based plans, any related agreements or amendments to such plans (the “**Plans**”) and any awards under such Plans pursuant to the recommendations of the Human Resources Committee;
- (h) review and approve the corporate compensation plan, significant employee benefit programs and any material changes to such plans and programs pursuant to the recommendations of the Human Resources Committee;
- (i) oversee all matters relating to the legal, regulatory and financial integrity of MOSAID;
- (j) interface, as required, with MOSAID’s external auditors;
- (k) recommend to shareholders, pursuant to the recommendation of the Audit Committee, the appointment of auditors and approve auditor compensation once authorised by shareholders;
- (l) adopt, and annually review, pursuant to the recommendation of the Corporate Governance and Nominating Committee, a system of corporate governance policies and practices;
- (m) approve the corporate communications policy and Trading Securities Policy, and oversee their effective implementation, with primary emphasis on non-selective disclosure and communication with shareholders;

- (n) review and approve major organizational changes and significant new human resource policies/programs or material changes to existing human resource polices/programs;
- (o) set up measures for receiving feedback from MOSAID's shareholders;
- (p) be responsible for the implementation of systems designed to ensure the protection and advancement of shareholder value;
- (q) identify the principal risks of MOSAID's business and ensure the implementation of appropriate systems to monitor and manage those risks;
- (r) oversee MOSAID's internal control and management information systems;
- (s) adopt a strategic planning process and approve, on an annual basis, a strategic plan which takes into account the opportunities and risks of the business;
- (t) approve the annual operating plan;
- (u) approve MOSAID's quarterly and annual financial results and MD&A, management proxy circulars and their publication;
- (v) approve MOSAID's dividend policy and any dividend payments;
- (w) approve significant business expansions, alliances, joint ventures, mergers and acquisitions;
- (x) set expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of Board meeting materials;
- (y) appoint the Chairperson of the Board annually or as otherwise required;
- (z) consider, annually, which individuals should be nominated to the Board, based on the advice of the Corporate Governance and Nominating Committee;
- (aa) monitor the effectiveness and contribution of the Board, its committees and individual directors;
- (bb) approve the Board's compensation plan and the compensation of individual directors, pursuant to the recommendation of the Human Resources Committee, and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director; and
- (cc) annually review the Board Mandate and any other documents used by the Board in fulfilling its responsibilities.

Committees

MOSAID's current committee structure includes the following committees: Audit; Corporate Governance and Nominating; Human Resources and Special. The mandates of each standing committee are reviewed periodically by the Corporate Governance and Nominating Committee with a view to delegating to committees the authority of the Board concerning specified matters appropriate to such committees. The members of each committee, and from amongst each such committee's members, the chairperson of each committee, are appointed by the Board annually. The CEO, Chief Financial Officer (the "CFO"), General Counsel (the "GC") and any other employee shall attend committee meetings upon the respective committee's request and, subject to a committee requesting otherwise, the Corporate Secretary, or his designee, shall act as secretary at all committee meetings.

Qualifications and Procedures

At least twenty-five percent of the directors shall be "resident Canadians" as defined by the *Canada Business Corporations Act*.

The independent directors shall meet at regularly scheduled sessions at least quarterly without Management present. A majority of the Board shall constitute quorum. The CEO, CFO, GC and any other employee shall attend Board meetings upon the Board's request and, subject to the Board requesting otherwise, the Corporate Secretary, or his designee, shall act as secretary at all Board meetings.

The Board shall have unrestricted access to MOSAID personnel and, subject to any applicable confidentiality requirements and/or privacy laws, documents, and shall be provided with the resources necessary to carry out its duties. The Board may retain such outside consultants and advisors (at MOSAID's expense), as it deems necessary from time to time to fulfill its duties and responsibilities.

Individual Directors

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

- prepare for each Board and committee meeting;
- maintain a satisfactory Board and committee meeting attendance record of no less than 75% in the aggregate, subject to recusal by the Board or relevant committee;
- participate fully and frankly in Board deliberations and discussions;
- demonstrate a willingness to listen to others' opinions and consider them;
- be willing to raise tough questions in a manner that encourages open discussion;
- establish an effective, independent and respected presence on the Board and a collegial relationship with other directors;
- focus inquiries on issues related to strategy, policy and results rather than day-to-day issues of corporate management;
- think, speak and act independently;
- be willing to risk rapport with the Chairperson and other directors in taking a reasoned, independent position;
- participate on committees and become knowledgeable about the duties, purpose and goals of each committee;
- become knowledgeable about MOSAID's business and the industry in which it operates;
- participate in director orientation and development programs;
- maintain a current understanding of the regulatory, legislative, business, social and political environments in which MOSAID operates;
- become acquainted with MOSAID's senior executives; and
- visit MOSAID's offices when appropriate.

APPENDIX B

Code of Business Conduct and Ethics

MOSAID Technologies Incorporated (“**MOSAID**”) prides itself on being a good corporate citizen and maintaining a high standard of business ethics. MOSAID also benefits materially from its reputation. MOSAID’s relationships with suppliers, customers and investors are stronger because they trust MOSAID to conduct its business dealings honestly, fairly and in good faith.

MOSAID’s reputation, and the code of business conduct and ethics that guides its business practices, can thus be seen as a significant business asset - an asset MOSAID has created through investing the time, effort and money it takes to operate ethically. It is a highly fragile asset, easily damaged and hard to repair once diminished.

To comply with MOSAID’s code of business conduct and ethics (the “**Code**”), all MOSAID employees, officers and directors must strive:

1. to avoid real or perceived conflicts of interest whenever possible and to disclose them to MOSAID’s management or the Board of Directors (the “**Board**”) when they do exist, including transactions and agreements in respect of which a director or executive officer has a material interest;
2. to be honest and realistic in making public claims or estimates concerning MOSAID based on available data;
3. to have respect for and make proper use of MOSAID’s corporate assets and opportunities, which assets include proprietary information, technologies, customer information and employee information, as well as real and personal property, including maintaining, where applicable, the confidentiality of corporate information;
4. to reject bribery in all its forms, including receiving or giving any gift that might be considered to influence business relationships;
5. to maintain and improve competence, both technical and non-technical, and to undertake tasks for others only if qualified by training or experience or after full disclosure of pertinent limitations;
6. to fairly deal with MOSAID’s shareholders, customers, suppliers, competitors and employees and only use fair practices to win or conduct business; for instance, acquiring a competitor’s confidential information through improper means is not permitted;
7. to treat fairly all persons regardless of such factors as race, religion, gender, disability, age or national origin;
8. to avoid injuring others, their property, reputation or employment by false or malicious action;
9. to assist colleagues and co-workers in their professional development and to support them in following this Code;
10. to comply with all applicable laws, rules and regulations; and
11. to monitor adherence to this Code, including the reporting of any illegal or unethical behaviour, and to suggest changes as appropriate.

Only the Board may grant a waiver of this Code.*

*Note: To date, no waiver of this Code has been granted.

APPENDIX C

**ORDINARY RESOLUTION OF THE SHAREHOLDERS
OF
MOSAID TECHNOLOGIES INCORPORATED
(the "Corporation")**

Advisory Vote on Executive Compensation

WHEREAS the Corporation's Board of Directors (the "**Board**") believes that its shareholders should have the opportunity to indicate the acceptance of the Corporation's approach to executive compensation as more fully set out in the accompanying Management Information Circular of the Corporation;

AND WHEREAS although the vote is not binding on the Corporation, the Board and the Human Resources Committee will take into account the outcome of the vote when considering the Corporation's future approach to executive compensation;

NOW THEREFORE BE IT RESOLVED that on an advisory basis and not to diminish the role and responsibilities of the directors, that the shareholders of the Corporation accept the approach to executive compensation as presented by the Human Resources Committee and disclosed in the accompanying Management Information Circular of the Corporation.

DATED the 22nd day of September 2011.

APPENDIX D

**ORDINARY RESOLUTION OF THE SHAREHOLDERS
OF
MOSAID TECHNOLOGIES INCORPORATED
(the "Corporation")**

Shareholder Rights Plan

WHEREAS the Corporation's Board of Directors has determined that Canada's current legislative framework does not provide sufficient time to permit shareholders to consider unsolicited take-over bids and make a reasoned and unhurried decision with respect to the take-over bid;

AND WHEREAS the Corporation adopted the shareholder rights plan (the "**Rights Plan**") effective July 8, 2005 and authorised the Corporation to enter into a shareholder rights plan agreement with CIBC Mellon Trust Company to be effective upon the Corporation's receipt of approval of the Toronto Stock Exchange (the "**TSX**");

AND WHEREAS, under the listing policies of the TSX, the Rights Plan must be ratified by the Corporation's shareholders within six months of its adoption by the Board and then reconfirmed upon the third and sixth anniversaries of its adoption by the Corporation's shareholders;

AND WHEREAS the Corporation's shareholders ratified the Rights Plan at a shareholders' meeting on September 16, 2005 and then reconfirmed its continued existence at a shareholders' meeting on October 1, 2008;

AND WHEREAS the September 22, 2011 Annual and Special Meeting of the Corporation's shareholders constitutes the sixth anniversary of the Rights Plan's adoption by the Corporation's shareholders;

AND WHEREAS the TSX has advised the Corporation that this requirement will be satisfied if the resolution approving the Rights Plan is approved;

NOW THEREFORE BE IT RESOLVED that:

1. the Rights Plan is hereby reconfirmed; and
2. any director or senior officer of the Corporation is hereby authorized to take all such further actions and to execute and deliver all such further agreements, notices, certificates, undertakings, instruments and documents, in the name and on behalf of the Corporation and under its corporate seal or otherwise as may be determined to be necessary, proper, and advisable in order to give effect to the above-mentioned Rights Plan and to fully carry out the intent and accomplish the purpose of the above resolution, such approval and determination to be conclusively evidenced by the execution and delivery thereof or taking of such actions by such directors or officers.

DATED the 22nd day of September 2011.

APPENDIX E

**ORDINARY RESOLUTION OF THE SHAREHOLDERS
OF
MOSAID TECHNOLOGIES INCORPORATED
(the "Corporation")**

Employee and Director Purchase Plan

WHEREAS the Corporation's Board of Directors has determined that certain amendments to the Employee and Director Stock Purchase Plan (the "**Purchase Plan**") of the Corporation, as more fully set out in the black-lined copy of the Purchase Plan attached hereto as Exhibit "A" (the "**Amendments**"), are in the Corporation's and its shareholders' best interests;

AND WHEREAS Section 14 of the Purchase Plan provides that certain amendments to the Purchase Plan require the prior approval of the Toronto Stock Exchange (the "**TSX**") and that certain amendments to the Purchase Plan may require the approval of the Corporation's shareholders;

AND WHEREAS the TSX approved the Amendments on August 3, 2011;

NOW THEREFORE BE IT RESOLVED that:

1. the Amendments are approved; and
2. any director or senior officer of the Corporation is hereby authorized to take all such further actions and to execute and deliver all such further agreements, notices, certificates, undertakings, instruments and documents, in the name and on behalf of the Corporation and under its corporate seal or otherwise as may be determined to be necessary, proper and advisable in order to give effect to the Amendments and to fully carry out the intent and accomplish the purpose of the above resolution, such approval and determination to be conclusively evidenced by the execution and delivery thereof or taking of such actions by such directors or officers.

DATED the 22nd day of September 2011.

EXHIBIT A

EMPLOYEE & DIRECTOR STOCK PURCHASE PLAN

PLAN DESCRIPTION

The MOSAID Technologies Incorporated Employee and Director Stock Purchase Plan is intended to promote the interests of MOSAID Technologies Incorporated (the “**Company**”) and its subsidiaries by providing eligible employees and directors an opportunity to acquire a proprietary interest in the Company through a stock purchase plan.

1. **Definitions.**

“**Affiliate**” has the meaning assigned by the *Securities Act* (Ontario), as amended from time to time;

“**Associate**” has the meaning assigned by the *Securities Act* (Ontario), as amended from time to time.

“**Annual Compensation**” means, for each Participant who is an Employee, the annualized gross salary of that Participant, regular compensation and commissions earned during each payroll period, before any deductions or withholding, but excluding overtime pay, bonuses, amounts paid as reimbursements of expenses and other additional compensation, under rules uniformly applied by the Committee (for Employees who have a compensation plan with a base and incentive portion comprising a target, Annual Compensation shall mean the annual earnings target for that individual), and for each Participant who is a Director, all amounts (if any) paid to such Participant during the previous calendar year, including, for greater certainty, any deferred share units taken in lieu, before any deductions or withholding, but excluding any amounts paid as reimbursements of expenses.

“**Board of Directors**” means the board of directors of the Company.

“**Business Day**” means any day which is a trading day on the Exchange.

“**Change in Control**” shall mean:

(i) when any person, together with any Affiliate or Associate of such person (other than the Company or its subsidiaries, or an employee benefit plan of the Company or its subsidiaries, including any trustee of such plan acting as trustee) hereafter acquires, the direct or indirect “**beneficial ownership**”, as defined by the *Canada Business Corporations Act* (the “**CBCA**”), of securities of the Company representing fifty (50%) percent or more of the combined voting power of the Company’s then outstanding securities; or

(ii) the occurrence of a transaction requiring approval of the Company’s shareholders involving the acquisition of the Company or all or substantially all of its business by an entity through purchase of assets by amalgamation, arrangement or otherwise;

“**Commitment Date**” means, with respect to any given Participant, the first Business Day of each Offering Period or in the event of a Blackout Period pursuant to Sub-section 4(b) hereof, the tenth Business Day following the end of the Blackout Period, or such other Business Day in an Offering Period approved by the Committee.

“**Committee**” means the Human Resources Committee or other committee appointed by the Board of Directors to administer the Plan. All references in the Plan to the Committee means the Board of Directors if no Committee has been appointed.

“**Common Shares**” means common shares in the capital of the Company.

“**Director**” means a person occupying the position of director on the Board of Directors and who is not an Employee.

“**Eligible Person**” means an Employee or Director who is eligible to participate in the Plan pursuant to Section 3.

“**Employee**” means a full time permanent employee of the Company or any of its subsidiaries.

“**Exchange**” means the Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, such stock exchange on which such shares are listed and posted for trading as may be selected for such purpose by the Committee.

"Fair Market Value" per Common Share at any date shall be the weighted average sale price for board lots of Common Shares on the Exchange on the ten trading days immediately preceding the Purchase Date or the Commitment Date, as the case may be.

"Insider" means:

- (i) an insider of the Company as defined by the *Securities Act* (Ontario) as amended from time to time; and
- (ii) an Associate or Affiliate of any person who is an Insider by virtue of clause (i) of this definition.

"Leave of Absence" has the meaning ascribed thereto in Section 7 hereof.

"Lump Sum Payment" has the meaning ascribed thereto in Sub-section 4(c) hereof.

"Offering Period" means one of the six month periods commencing in each year either on the third Business Day after the first public announcement of the Company's second quarter financial results or on the third Business Day after the first public announcement of the Company's fiscal year end financial results.

"Participant" means an Eligible Person who is participating in the Plan pursuant to Section 4.

"Payroll Deduction" has the meaning ascribed thereto in Sub-section 4(b) hereof.

"Plan" means this MOSAID Technologies Incorporated Employee & Director Stock Purchase Plan.

"Plan Account" means for each Participant who is an Employee, an account maintained by the Company or its designated record keeper to which such Participant's payroll deductions are credited and, for each Participant who is a Director, an account maintained by the Company or its designated record keeper to which such Participant's Lump Sum Payments are credited and, in each case, against which funds used to purchase Common Shares are charged and to which Common Shares purchased are credited.

"Purchase Date" means the first Business Day which is six months following the first Business Day of each Offering Period ~~Commitment Date~~ in respect of any Offering Period.

"Purchase Price" means, subject to Sub-section 8(b) hereof, the lesser of (i) 90% of the Fair Market Value of the Common Shares on the Commitment Date for the Offering Period in which the Purchase Date falls, and (ii) 90% of the Fair Market Value of the Common Shares on the Purchase Date for that Offering Period.

2. **Shares Subject to the Plan.** Subject to Section 12, the aggregate number of Common Shares which may be sold under the Plan is 1,500,000. The maximum number of Common Shares which may be issued under the Plan in any one fiscal year shall not exceed 200,000. No fractional shares may be purchased or issued hereunder. The following restrictions shall also apply to this Plan as well as the MOSAID Technologies Incorporated Employee and Director Stock Option Plan and all other plans or stock option agreements to which the Company may be a party:

- (i) the aggregate number of Common Shares issuable to Insiders, at any time, under all of the Company's security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares of the Company;
- (ii) Insiders shall not be issued, under this Plan and all of the Company's other security based compensation arrangements, within any one year period, a number of Common Shares which exceeds 10% of the issued and outstanding Common Shares of the Company; and
- (iii) Directors shall not be issued, within any one year period, a number of Common Shares which, in the aggregate, exceeds 0.25% of the issued and outstanding Common Shares of the Company.

3. **Eligible Persons.** Each Employee or Director (an “**Eligible Person**”) who has provided services to the Company or any of its subsidiaries, as the case may be, for at least three months and who is continuing to provide such services may participate in the Plan. The Committee may exclude all, but not less than all, of the Employees of any subsidiary of the Company located outside of Canada where participation by such Employees would be impractical.

4. **Offering Periods; Participation in the Plan.**

(a) Common Shares shall be offered for purchase under the Plan through a series of successive Offering Periods until such time as: (i) the maximum number of Common Shares available for purchase under the Plan shall have been purchased; or (ii) the Plan shall have been terminated in accordance with the terms hereof.

(b) ~~(b)~~ An Eligible Person who is an Employee may participate in the Plan by completing and filing with the Company or its designated record keeper prior to the tenth day of an Offering Period a subscription agreement and an election form which authorizes payroll deductions (the “**Payroll Deductions**”) from such Employee’s pay for the purposes of acquiring Common Shares, provided that in the event that such deadline for providing a subscription agreement and an election form which authorizes Payroll Deductions is during a period when the Eligible Person is prohibited by law, by the policies of the Exchange or by the policies of the Company from trading in Common Shares (a “**Blackout Period**”), such deadline shall be automatically extended to within ten trading days immediately following the end of the Blackout Period. Such Payroll Deductions shall commence on the first regularly scheduled payroll day of the applicable Offering Period following the receipt by the Company of the election form. Such Payroll Deductions shall continue until the end of the Offering Period unless such Employee terminates participation in the Plan or the Plan is terminated prior to such time. Unless otherwise specified in an election form or a new election form is filed pursuant to Section 6 of the Plan or participation in the Plan is terminated pursuant to Section 7 of the Plan, Employees who have filed a completed subscription agreement and election form shall be deemed to participate in the Plan in subsequent Offering Periods.

(c) An Eligible Person who is a Director may participate in the Plan by completing and filing with the Company or its designated record keeper prior to the tenth day of an Offering Period, a subscription agreement and payment for such Common Shares in immediately available funds in a form acceptable to the Company, provided that in the event that such deadline for providing a subscription agreement and an election form is during a Blackout Period, such deadline shall be automatically extended to within ten trading days immediately following the end of the Blackout Period. Such payment (a “**Lump Sum Payment**”) shall be made on the first day of the applicable Offering Period following the receipt by the Company of the election form. Unless otherwise specified in an election form or a new election form is filed pursuant to Section 6 of the Plan or participation in the Plan is terminated pursuant to Section 7 of the Plan, Directors who have filed a completed subscription agreement and election form shall be deemed to participate in the Plan in subsequent Offering Periods, and a Lump Sum Payment shall be due from such Directors on the first day of each subsequent Offering Period..

(d) Notwithstanding the foregoing, an Eligible Person shall not be entitled to purchase Common Shares under this Plan on any Commitment Date if the purchase would not comply with the restrictions respecting the issuance/sale of Common Shares set forth in Section 2.

(e) If the aggregate number of Common Shares subscribed for pursuant to the Plan exceeds the total number of Common Shares permitted to be issued under the Plan or the maximum number of Common Shares permitted to be issued under the Plan in respect of a fiscal year, the Common Shares available will be allocated by the Company on a pro rata basis in proportion to each Participant’s balance in his or her Plan Account, and a cash payment for the balance remaining will be refunded to the Participant on the Purchase Date, such calculation and allotment by the Company to be final and binding on all Participants.

5. **Limits on Payroll Deductions and Lump Sum Payments.** Payroll Deductions shall be made from the amounts paid to each Participant who is an Employee for each payroll period in such amounts as such Participant shall authorize in such Participant’s election form. The maximum Payroll Deduction for each Participant who is an Employee shall be 15% of the Participant’s Annual Compensation; provided, however, that for any Employee whose Payroll Deduction exceeds 5% of their Annual Compensation, the Common Shares purchased with such excess amount must be held by such Employee for a minimum of six months following the applicable Purchase Date. If a Participant’s Annual Compensation is insufficient in any pay period to allow the entire Payroll Deduction elected under the Plan, no deduction shall be made for such pay period. Payroll Deductions will resume with the next regularly scheduled payroll period in which the Participant has pay sufficient to permit the Payroll Deduction. Payroll Deductions under the Plan

shall be made in any period only after all other withholdings, deductions, garnishments and the like have been made. The maximum Lump Sum Payment per Offering Period for each Participant who is a Director shall be 50% of the Participant's Annual Compensation.

6. **Changes in Payroll Deductions and Lump Sum Payments.** Subject to the maximum deductions set forth above in section 5, a Participant may change the amount of such Participant's Payroll Deductions or Lump Sum Payments, as the case may be, by filing a new election form with the Company or its designated record keeper during the first ten days of an Offering Period, which change shall be effective for such Offering Period.
7. **Termination of Participation in Plan.** A Participant's participation in the Plan shall be terminated where such Participant is an Employee, upon the termination of such Employee's employment with the Company for any reason or, where the Participant is a Director, when such Participant resigns or is not re-elected to the Board of Directors, and such Participant shall cease to be an Eligible Person at such time. In the event that a Participant's participation in the Plan is voluntarily or involuntarily terminated, Payroll Deductions under the Plan shall cease and any payments credited to such Participant's Plan Account prior to such time, whether by Payroll Deductions or Lump Sum Payments, shall be returned to the Participant. For purposes of this Section 7: (i) the date of termination of an Employee's employment shall be the date designated in writing by the Company (or by its subsidiary, as the case may be) as the effective date of termination, notwithstanding any period of notice or reasonable notice that the Company (or subsidiary, as the case may be) may be required by contract or at law to provide to the Participant in connection with such termination; and (ii) the date that a Director ceases to be a Director for any reason other than death shall be the date designated in writing by the Company or Board of Directors as the effective date of such cessation. For greater clarity, a temporary leave of absence (whether with or without pay) of a Participant who is an Employee from his or her employment with the Company (a "**Leave of Absence**") shall not be treated as terminating such Participant's participation in any Offering Period, provided, however, that in the event of any Leave of Absence of a Participant without pay, such Participant's Payroll Deductions under the Plan, if any, shall be suspended for the duration of such Leave of Absence, provided further, however, that any such suspension of Payroll Deductions shall not be deemed to be a change made pursuant to Sections 6 or 7 hereof for the determination of the amount of the Purchase Price related to any Common Shares to be purchased in an Offering Period.
8. **Purchase of Shares.**
 - (a) On each Purchase Date, the Company shall apply the funds credited to each Participant's Plan Account to the purchase (without commissions or fees) of that number of whole Common Shares determined by dividing the Purchase Price into the balance in the Participant's Plan Account on the Purchase Date. Any amount remaining shall be carried forward to the next Purchase Date unless the Plan Account is closed.
 - (b) As soon as practicable after each Purchase Date, a statement shall be delivered to each Participant which shall include the number of Common Shares purchased on the Purchase Date on behalf of such Participant under the Plan.
 - (c) When requested, a stock certificate for whole Common Shares in a Participant's Plan Account purchased pursuant to the Plan shall be issued in such Participant's name or in the name of such Participant and another person as joint tenants with rights of survivorship or as tenants in common. When a Participant ceases to be an Eligible Person pursuant to the provisions of Section 7 hereof, a share certificate for whole Common Shares in such Participant's Plan Account shall be issued in the name of such Participant or in the name of such Participant and the name of another person as joint tenants with right of survivorship or as tenants in common on the Purchase Date. A cash payment shall be made for any fraction of a Common Share in such account, if necessary to close the account.
9. **Rights as a Shareholder.** As of the Purchase Date, a Participant shall be treated as record owner of his/her Common Shares purchased pursuant to the Plan.
10. **Rights Not Transferable.** Rights under the Plan are not transferrable by a Participant other than by will or the laws of succession, and are exercisable during the Participant's lifetime only by the Participant or by the Participant's guardian or legal representative. No rights or payroll deductions of a Participant shall be subject to execution, attachment, levy, garnishment or similar process.
11. **Application of Funds.** All funds of Participant's received or held by the Company under the Plan before purchase of the Common Shares shall be held by the Company without liability for interest or other increment.

12. **Adjustments in Case of Changes Affecting Common Shares.** In the event of a subdivision or consolidation of outstanding Common Shares of the Company, or the payment of a stock dividend, the number of Common Shares approved for the Plan shall be increased or decreased proportionately, and such other adjustment shall be made as may be deemed equitable by the Committee. In the event of any other change affecting the Common Shares, such adjustment shall be made as shall be deemed equitable by the Committee to give proper effect to such event.
13. **Administration of the Plan.** The Plan shall be administered by the Committee. The Committee shall have the authority to construe and interpret the provisions of the Plan and make rules and regulations for the administration of the Plan, and its interpretations and decisions with regard to the Plan and such rules and regulations shall be final and conclusive on all persons affected thereby unless otherwise determined by the Board of Directors. The day-to-day administration of the Plan may be delegated to such officers and employees of the Company or its subsidiaries as the Committee shall determine.
14. **Amendments to the Plan.**
- (a) Subject to the rules and policies of any stock exchange on which the Common Shares are listed and applicable law, the Board of Directors may, without notice or shareholder approval, at any time or from time to time, amend the Plan for the purposes of:
- (i) making any amendments to the provisions set out in Section 7 of the Plan;
 - (ii) making any amendments to add covenants of the Company for the protection of Participants, provided that the Board of Directors shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants;
 - (iii) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the Board of Directors, having in mind the best interests of the Participants, it may be expedient to make, provided that the Board of Directors shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants; or
 - (iv) making any such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board of Directors shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.
- (b) Notwithstanding any other provision of this Plan, none of the following amendments shall be made to this Plan without approval of the Exchange (to the extent the Company has any securities listed on such exchange) and the approval of shareholders:
- (i) amendments to the Plan which would increase the number of Common Shares issuable under the Plan, otherwise than in accordance with Section 12 of this Plan;
 - (ii) amendments to the Plan which would increase the number of Common Shares issuable to Insiders under the Plan, otherwise than in accordance with Section 12 of this Plan;
 - (iii) amendments to the Plan which would increase the number of Common Shares issuable to Directors under the Plan, otherwise than in accordance with Section 12 of this Plan;
 - (iv) amendments that would reduce the Purchase Price payable by Insiders; and
 - (v) the addition of any form of financial assistance to a Participant.
- (c) Subject to Sections 17 and 23, the Board of Directors shall not alter or impair any rights or increase any obligation with respect to previously agreed upon terms under the Plan without the consent of the Participant.
15. **Termination of the Plan.** The Plan shall terminate upon the earlier of (a) the termination of the Plan by the Board of Directors of the Company as specified below, or (b) the date no more Common Shares remain to be purchased under the Plan. The Board of Directors of the Company may terminate the Plan as of any date, and the date of termination shall be deemed a Purchase Date. If on such Purchase Date Participants in the aggregate have options to purchase

more Common Shares than are available for purchase under the Plan, each Participant shall be eligible to purchase a reduced number of Common Shares on a pro rata basis, and any excess Payroll Deductions or Lump Sum Payments, as the case may be, shall be returned to Participants, all as provided by rules and regulations adopted by the Committee.

16. **Costs.** All costs and expenses incurred in administering the Plan shall be paid by the Company.
17. **Governmental Regulations.** The Company's obligation to sell and deliver its Common Shares pursuant to the Plan is subject to:
- (a) the satisfaction of all requirements under applicable securities law in respect thereof and obtaining all regulatory approvals as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof, including shareholder approval, if required;
 - (b) the admission of such Common Shares to listing on any stock exchange on which Common Shares may then be listed; and
 - (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities law of any jurisdiction.

In this connection, the Company shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with applicable securities law and for the listing of such Common Shares on any stock exchange on which such Common Shares are then listed.

18. **Applicable Law.** The Plan is established under the laws of the Province of Ontario and the rights of all parties and the construction and effect of each provision of the Plan shall be according to the laws of the Province of Ontario and the laws of Canada applicable therein.
19. **Effect on Employment.** The provisions of this Plan shall not affect the right of the Company or any subsidiary or any Participant to terminate the Participant's employment with the Company or any subsidiary.
20. **Withholding.** The Company reserves the right to withhold from stock or cash distributed to a Participant any amounts which it is required by law to withhold.
21. **Change in Control.** In the event of a proposed or actual Change in Control, the Company shall require that each outstanding right hereunder be assumed or an equivalent right be substituted by the successor or purchaser corporation, unless the Plan is terminated.
22. **Approvals.** The Plan shall be subject to acceptance by the Exchange in compliance with all conditions imposed by the Exchange. Any rights to purchase Common Shares granted prior to such acceptance shall be conditional upon such acceptance being given and any conditions complied with and no such right may be exercised unless such acceptance is given and such conditions are complied with.
23. **Corporate Action.** Nothing contained in the Plan shall be construed so as to prevent the Company or any subsidiary of the Company from taking corporate action which is deemed by the Company or any subsidiary of the Company to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan.
24. **Limitation on Sale of Common Shares Purchased Under the Plan.** The Plan is intended to provide Common Shares for investment and not for resale. The Company does not, however, intend to restrict or influence any Participant with respect to any dealings with Common Shares save and except as provided in Sub-section 17(c). A Participant may, therefore, sell Common Shares purchased under the Plan provided he/she complies with all applicable securities laws. Participants assume the risk of any market fluctuations in the price of the Common Shares.
25. **Notices.** All written notices to be given by Participants to the Company may be delivered personally or by registered mail, postage prepaid, addressed as follows:

MOSAID Technologies Incorporated
11 Hines Road, Suite 203
Ottawa, Ontario
K2K 2X1
Attention: Corporate Secretary

Any notice given by the Participant pursuant to the terms hereof shall not be effective until actually received by the Company at the above address. Any notice to be given to the Participant shall be sufficiently given if delivered personally or by postage prepaid mail to the last address of the Participant on the records of the Company or the applicable subsidiary and shall be effective seven days after mailing.

26. **Shareholder Approval.** The Plan shall become effective on the date it is adopted by the Board of Directors of the Company, provided that the shareholders of the Company approve it within 12 months after such date.

MOSAID TECHNOLOGIES INCORPORATED

A handwritten signature in black ink, appearing to read "Carl Schlachte Sr.", written in a cursive style.

Carl P. Schlachte Sr.,
Chairman of the Board

November 25, 2009

APPENDIX F

**ORDINARY RESOLUTION OF THE SHAREHOLDERS
OF
MOSAID TECHNOLOGIES INCORPORATED
(the "Corporation")**

Employee and Director Stock Option Plan

WHEREAS the Corporation's Board of Directors has determined that an amendment to the Employee and Director Stock Option Plan (the "**ESOP**") of the Corporation, to increase the number of Common Shares which may be issued upon the exercise of options granted under the ESOP by 500,000 for a total reserve of 1,561,927 and an aggregate limit of 4,067,323 as more fully set out in the accompanying Management Information Circular of the Corporation (the "**Amendment**"), is in the Corporation's and its shareholders' best interests;

AND WHEREAS Section 19 of the ESOP Plan provides that certain amendments to the ESOP require the prior approval of the Toronto Stock Exchange (the "**TSX**") as well as the approval of the Corporation's shareholders;

AND WHEREAS the TSX approved the Amendment on August 3, 2011;

NOW THEREFORE BE IT RESOLVED that:

1. the Amendment is approved; and
2. any director or senior officer of the Corporation is hereby authorized to take all such further actions and to execute and deliver all such further agreements, notices, certificates, undertakings, instruments and documents, in the name and on behalf of the Corporation and under its corporate seal or otherwise as may be determined to be necessary, proper and advisable in order to give effect to the Amendments and to fully carry out the intent and accomplish the purpose of the above resolution, such approval and determination to be conclusively evidenced by the execution and delivery thereof or taking of such actions by such directors or officers.

DATED the 22nd day of September 2011.

APPENDIX G

**SPECIAL RESOLUTION OF THE SHAREHOLDERS
OF
MOSAID TECHNOLOGIES INCORPORATED
(the "Corporation")**

Stock Split

WHEREAS the Corporation's Board of Directors (the "**Board**") has determined that an amendment to the Corporation's articles of incorporation to subdivide the issued and outstanding Common Shares on a two-for-one basis (the "**Stock Split**") is in the Corporation's and its shareholders' best interests;

AND WHEREAS the Toronto Stock Exchange conditionally approved the Stock Split on August 3, 2011;

NOW THEREFORE BE IT RESOLVED that:

1. pursuant to section 173 of the *Canada Business Corporations Act*, the articles of incorporation of the Corporation be amended to divide the issued and outstanding Common Shares on a two-for-one basis which will result in one additional Common Share being issued for each one Common Share currently issued and outstanding;
2. the Board, in its sole discretion, is authorized to implement the Share Split;
3. the Board may, in its discretion, without further approval of the shareholders, revoke this special resolution at any time prior to the final implementation of the Stock Split; and
4. if the Board determines to implement the Stock Split, any one or more of the directors or officers of the Corporation is hereby authorized to sign all such documents, including without limitation the articles of amendment, and to do all such acts and things, as such director or officer determines, in his or her discretion, to be necessary or advisable in order to properly implement and give effect to the foregoing

DATED the 22nd day of September 2011.