

AgJunction Inc.

ANNUAL INFORMATION FORM

**For the fiscal year ended
December 31, 2015**

March 28, 2016

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this annual information form ("**Annual Information Form**") constitute forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these

expectations will prove to be correct and such forward-looking statements included in this Annual Information Form should not be unduly relied upon. These statements speak only as of the date of this Annual Information Form.

In particular, this Annual Information Form contains forward-looking statements pertaining to, but not limited to, the following:

- financial results;
- new and emerging markets;
- customer adoption of technology and products;
- technological developments;
- adequacy of facilities;
- dividend policy;
- plans to invest resources in research and product development;
- focus on expansion and its anticipated effect on growth opportunities;
- opportunities to mitigate seasonality;
- our business strategy;
- expectations regarding the ability to raise capital; and
- research and capital expenditures programs.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of, but not limited to, the risk factors set forth below and elsewhere in this Annual Information Form:

- negative conditions in the agricultural, general economic and financial markets;
- inability to introduce new technology and new products in a timely manner;
- departure of key personnel or consultants;
- competition;
- reliance on key suppliers and third parties;
- availability of key supplies and components;
- changes in the Global Navigation Satellite System ("GNSS") and other systems outside of our control;
- AgJunction's costs to purchase GNSS and other components could increase significantly;
- misappropriation of proprietary information;
- changes in income tax laws and other government regulations;
- losses from credit exposures;
- product liability;
- incorrect assessments of the value of acquisitions;
- fluctuation in foreign exchange or interest rates;
- conflicts of interest;
- successful development of new and emerging markets that we serve;
- damage or loss of use of physical facilities;
- legal claims for the infringement of intellectual property and other claims;
- other legal risks;
- stock market volatility and market valuations;
- AgJunction may fail to realize the perceived benefits of the Merger Transaction (as defined herein); and
- other factors discussed under "*Risk Factors*".

With respect to forward-looking statements contained in this document, we have made assumptions regarding, among other things: future technological developments; availability of key supplies, components, services, networks and developments; future exchange rates; the cost of expanding AgJunction's product lines; the impact of increasing competition; the nature and outcome of legal proceedings; the continuity of existing business relationships; conditions in general economic and financial markets; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour and services; that AgJunction's future results of operations will be consistent with past performance and management expectations in relation thereto; the continued availability of capital at attractive prices to fund future capital requirements relating to existing assets and projects; ability to obtain financing

on acceptable terms; future operating costs; that counterparties to material agreements will continue to perform in a timely manner; and that there are no unforeseen events preventing the performance of contracts.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this Annual Information Form in order to provide shareholders with a more complete perspective on AgJunction's current and future operations and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward looking statements contained in this Annual Information Form are expressly qualified by this cautionary statement. Readers should also carefully consider the matters discussed under the heading "*Risk Factors*" in this Annual Information Form. Except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements.

GENERAL MATTERS

This Annual Information Form contains company names, product names, trade names, trademarks and service marks of AgJunction and other organizations, all of which are the property of their respective owners.

CORPORATE STRUCTURE

AgJunction Inc. (the "**Corporation**", "**AJX**", "**AgJunction**", "**us**", "**we**", or "**our**", where the context requires, also includes our predecessors and our subsidiaries) was incorporated as Canadian Systems International Inc. pursuant to the *Business Corporations Act* (Alberta) (the "**ABCA**") on July 31, 1990. On October 26, 1992 the Corporation changed its name to Communication Systems International Inc. On June 21, 2000, the Corporation changed its name to CSI Wireless Inc. On May 9, 2007, the Corporation changed its name to Hemisphere GPS Inc. On May 24, 2013, the Corporation changed its name to AgJunction Inc.

Effective April 30, 1996, the Corporation amended its articles to effect, among other things, a re-designation of the Corporation's Class A common shares to common shares of the Corporation ("**Common Shares**"), a stock split of the Common Shares on a 12,500 to 1 basis and to delete the "private company" share transfer restrictions. On May 23, 2013, the Corporation amended the "Other Provisions" contained in the articles of the Corporation to allow the Corporation to hold meetings of shareholders at any place within or outside of the Province of Alberta.

AgJunction designs and manufactures innovative, cost-effective, GNSS and global positioning system ("**GPS**") products for applications in ground agriculture and air agriculture.

Our corporate head office is located at 2207 Iowa Street, Hiawatha, Kansas, 66434. Following completion of the Merger Transaction with Novariant, Inc. ("**Novariant**") on October 15, 2015, we constituted executive offices located at 46610 Landing Parkway, Fremont, California, 94538. The Corporation's registered office is located at 2400, 525-8th Avenue S.W., Calgary, Alberta T2P 1G1.

The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "AJX".

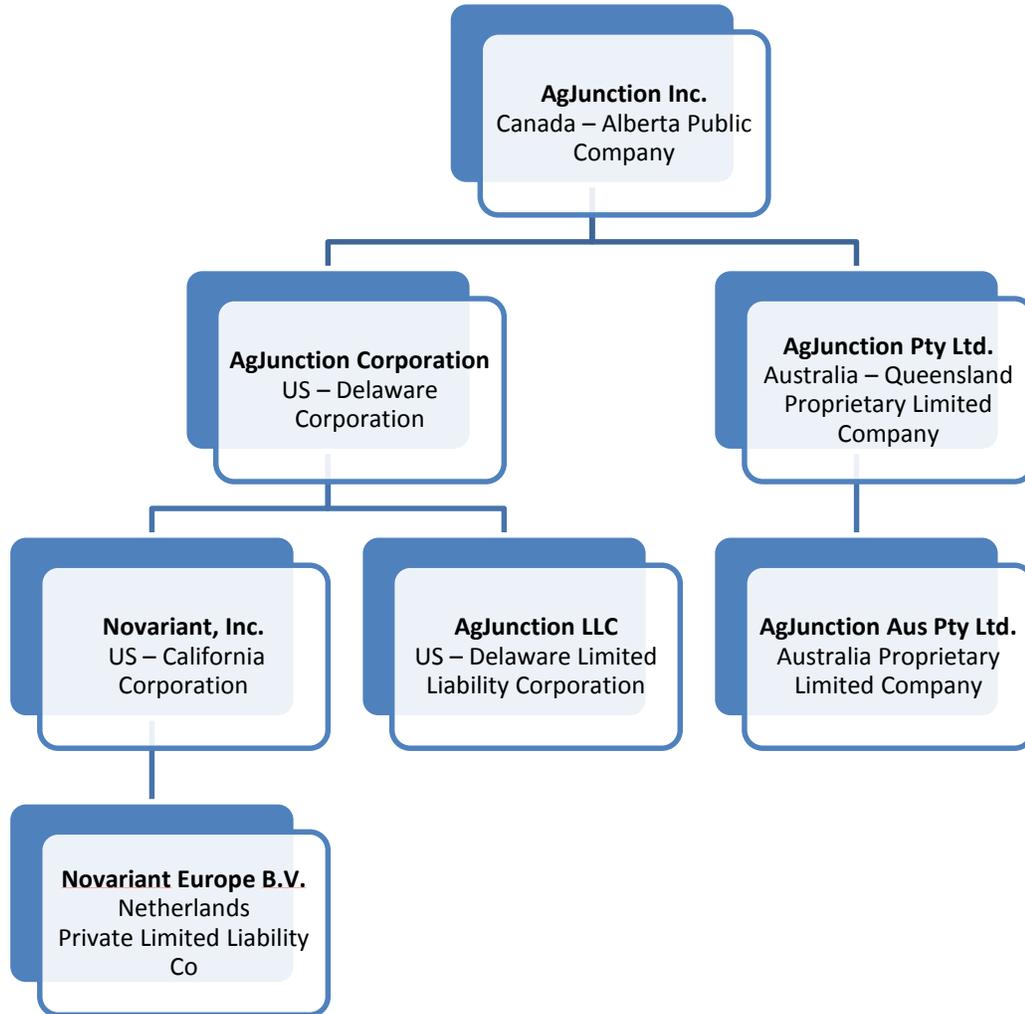
Inter-Corporate Relationships

AgJunction has four subsidiaries incorporated under the laws of the state of Delaware: AgJunction Corporation, AgJunction LLC, CSI Wireless LLC and BEELINE Technologies, Inc. AgJunction Corporation was previously named Hemisphere GPS Corporation, before a name change in May, 2013. AgJunction LLC was previously named Hemisphere GPS LLC, before a name change in May, 2013. AgJunction Corporation is a wholly owned subsidiary of the Corporation and AgJunction Corporation holds 100% of the shares of CSI Wireless LLC and AgJunction LLC. BEELINE Technologies, Inc. is also a wholly owned subsidiary of the Corporation. AgJunction has two subsidiaries incorporated in Australia. AgJunction Pty Ltd. is incorporated under the laws of the Australian State of Queensland. Its wholly-owned subsidiary, AgJunction AUS Pty Ltd. is incorporated under the laws of Australia. On October 15, 2015, AgJunction completed a merger with Novariant, a company incorporated under the laws of the state of California, whereby Novariant became the wholly owned subsidiary of AgJunction Corporation. Novariant has three subsidiaries: Novariant Pty. Ltd. and GPS-Ag. Pty. Ltd., formed under the laws of Australia, both of which are

currently inactive and in the process of being dissolved; and Novariant Europe B.V., an entity formed under the laws of the Netherlands.

See "*Significant Acquisitions – Merger Transaction*".

The following chart sets forth, as of the date hereof, the name of each of our active subsidiaries and the jurisdiction of incorporation and laws of incorporation of each. Each of the subsidiary companies is a wholly owned subsidiary of its parent.



GENERAL DEVELOPMENT OF THE BUSINESS

This section discusses the major events or conditions that have influenced the general development of the Corporation over the last three completed financial years, as applicable, including significant acquisitions and dispositions that

have occurred. All financial information referenced in this Annual Information Form is denominated in US dollars, unless otherwise indicated.

Three Year History

2013

On January 31, 2013, we announced that we signed and closed a definitive agreement to sell the business assets associated with our non-agricultural operations to the Canadian subsidiary of Beijing UniStrong Science & Technology Co. Ltd. ("**UniStrong**") for consideration of \$14.96 million. AgJunction's non-agricultural operations included our precision products portfolio and related infrastructure serving marine, land survey, construction, mapping and original equipment manufacturer ("**OEM**") segments. Included in the sale were the intellectual property rights associated with the non-agricultural operations necessary to support the continued growth of those operations globally, including trademarks associated with the "HemisphereGPS" identity. In addition, as part of the transaction, we formed a strategic alliance and a collaborative business relationship with UniStrong covering supply chain management, customer support, non-competition and perpetual technology cross-licensing.

In connection with a restructuring of the Corporation that was announced in November, 2012, which included divesting all of our non-agricultural operations, on January 31, 2013, we announced that we had completed the transition of our Calgary-based manufacturing activities to our external manufacturing partner and had closed our Calgary-based manufacturing facility. The transition of our head office from Calgary, Alberta to Hiawatha, Kansas occurred on May 31, 2013.

On May 7, 2013, we announced our Outback STX™ product, a value-based steering terminal with broad GNSS versatility.

On May 24, 2013, we announced a corporate name change to AgJunction Inc. and unveiled a new brand and website.

On May 30, 2013, we announced that commencement of trading under a new trading symbol "AJX" on the TSX.

On July 18, 2013, we announced that our cloud services division now supported in excess of 30 million unique production acres with its suite of precision farming software applications.

On September 13, 2013, we announced a new Outback MAX™ virtual terminal, application control and autosteer enhancements.

At the AGRITECHNICA show on November 12-16, 2013 in Hanover, Germany, CLAAS Agrosystems KGaA mbH & Co KG ("**CLAAS**"), one of our major OEM Solutions customers, introduced the CLAAS S7 and CLAAS S10 guidance control terminals which integrate key hardware and software technology and were developed by AgJunction.

2014

On March 18, 2014, we announced the release of our Advanced Task Controller for ISOBUS. ISOBUS is the industry's most widely accepted and utilized electronic communication standard.

As of June 30, 2014, we determined that a majority of our Common Shares were held directly or indirectly by U.S. residents and, as a result, effective January 1, 2015, we were no longer considered a "foreign private issuer" as defined in Rule 3b-4 of the Securities and Exchange Act of 1933. As of the date hereof, we continue to be governed by Canadian securities laws and reporting obligations and are currently not required to register with the Securities and Exchange Commission or make any filings under the Securities and Exchange Act of 1934.

On August 14, 2014, we announced that the United States Patent and Trademark Office issued Notices of Allowance for two patents extending critical aspects of our industry leading guidance and automatic steering technology platforms. U.S. Patent No. 8,768,558 entitled "Optical Tracking Vehicle Control System and Method" was issued on July 1, 2014 and expires January 5, 2027 and provides coverage for adding data from optical sensors during automated

vehicle steering and guidance to provide spatial information. We also received Notice of Allowance for U.S. Patent No. 8,781,685 entitled "System and Method For Integrating Automatic Electrical Steering with GNSS Guidance" on July 15, 2014 and expiring on July 17, 2033. The claims of this patent cover a guidance system for vehicles with steerable wheels and a steering mechanism connected to the steerable wheels.

On August 28, 2014, we introduced three new precision autosteer products, two of which are next-generation products from AgJunction's eDrive autosteer series being the new *eDriveXD*TM with decimeter-level accuracy and the new high-performance *eDriveXC*TM with centimeter-level accuracy. The eDriveX Series products are engineered for compatibility with a wide variety of brands of tractors, sprayers, spreaders and combines via hydraulic or electric steer interfaces. Both systems are designed to be fully compatible with the *Outback MAX*TM or *Outback STX*TM advanced GPS Guidance terminals.

On September 2, 2014, we introduced a new Outback STX v1.1 software upgrade making the system even more versatile. Among the many functional improvements, is the ability for *Outback STX*TM in conjunction with *eDriveX*TM to steer a wider array of autosteer-ready tractor models.

On October 2, 2014, we announced that CLAAS E-Systems KGaA mbH & Co KG, one of its major OEM Solutions customers, will begin factory installation of the GPS Pilot with S7 and S10 guidance control terminals during Q4 2014 at two European factories, integrating key hardware and software technology developed by AgJunction.

On November 6, 2014, we announced a new supply agreement and factory integration partnership with Stara to integrate our newest and highest performing steering solution, eDrive ® XC with Stara's industry-leading precision terminal, the Topper 5500.

On December 9, 2014, we announced the release of its latest aerial guidance product, the LiteStar III from Satloc® at the National Agricultural Aviation Association Annual Convention in Louisville, KY.

2015

On February 10, 2015, we announced a strategic OEM partnership with Pulse Aerospace ("**Pulse**") of Lawrence, Kansas, to integrate SATLOC®, application controls with a new generation of unmanned aerial system ("**UAS**") solutions for precision agriculture. The business partnership will add to Pulse's portfolio of precision management tools by integrating its advanced UAS technology together with the globally recognized SATLOC brand of aerial guidance and application control technologies.

On February 26, 2015, we announced that we had received ISO 9001:2008 certification for all operations at our headquarters in Hiawatha, Kansas as well as our global engineering centers in Brisbane, Australia and Scottsdale, Arizona. We received such ISO 9001:2008 registration from NQA USA, an accredited registrar that performs assessments of management systems against requirements of national and international standards for quality. The

certification is valid until January 25, 2018 and is applicable to all facets of AgJunction operations - design, development, production and distribution of its precision agriculture hardware solutions and associated components.

On March 16, 2015, we announced that we had entered into an agreement to acquire Novariant, a premier provider of advanced steering solutions for precision agriculture, through a Plan of Merger under the Laws of the State of California (the "**Merger Transaction**").

On March 31, 2015, we announced that we had signed an agreement for the sale of our cloud services division to EFC Systems, Inc. for \$3.25 million in cash less net liabilities.

On June 1, 2015, we announced that Mr. Wes Dittmer had resigned as our Senior Vice President and Chief Financial Officer.

On June 25, 2015, we announced that Mr. Michael Manning had been appointed our interim Chief Financial Officer.

On October 15, 2015, we announced that the Merger Transaction was completed and had received all required approvals necessary, including, but not limited to, approval by the Novariant shareholders, approval by the AgJunction shareholders, receipt of all necessary regulatory and stock exchange approvals and satisfaction of certain other closing conditions that are customary for a merger transaction.

In connection with the completion of the Merger Transaction, Dave Vaughn, the former Chief Executive Officer of Novariant, was appointed our new Chief Executive Officer, and former AgJunction Chief Executive Officer, Richard Heiniger, would serve, on a consulting basis, as our Senior Project Advisor. Additionally, Jon Ladd was appointed Senior Strategic Advisor, Husam Kal was appointed to the new position of Senior Vice President of Global Operations and Business Information Systems and Mark Bittner was appointed our Senior Vice President of Global Sales and Customer Care. Messrs. Jon Ladd, Dave Vaughn and Jose Suarez, three former Novariant directors, were also appointed as directors of AgJunction and Barry D. Batcheller and Richard Heiniger resigned as directors.

On December 30, 2015, we announced the conclusion of an internal review to identify operating synergies following the completion of the Merger Transaction. As a result of such review, we implemented a program to consolidate operations and redundant resources, targeting a reduction of our global workforce by approximately 20% by the end of the third quarter of 2016.

RECENT DEVELOPMENTS

Business and Operations

On January 28, 2016, we announced that Mr. Bobac (Bob) Barjesteh was appointed to the newly formed position of Vice President, Mergers and Acquisitions, Intellectual Property and General Counsel (U.S.).

On February 9, 2016, we announced that Mr. Kevin Monk had joined us as Vice President, Global Marketing.

SIGNIFICANT ACQUISITIONS

Merger Transaction

During the year ended December 31, 2015, we completed the Merger Transaction, pursuant to which, among other things, our wholly owned subsidiary, AgJunction MergeCo Inc., merged with Novariant and holders of the issued and outstanding shares in the capital of Novariant, as well as participants under the management retention plan of Novariant, received Common Shares. An aggregate of 49,291,026 Common Shares were issued to holders of Novariant capital stock and participants under their management retention plan. After giving effect to this issuance of Common Shares, approximately 40% of the Common Shares were then held by former Novariant shareholders and

participants under such management retention plan. Directors, officers and other insiders of AgJunction held approximately 31% of the outstanding Common Shares upon completion of the Merger Transaction.

Subsequent to the completion of the Merger Transaction on October 15, 2015, AgJunction filed a business acquisition report dated November 6, 2015, on its profile on the System for Electronic Document Analysis and Retrieval ("SEDAR"), in accordance with Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

DESCRIPTION OF OUR BUSINESS

General

We are engaged in the precision agriculture business and develop products to enhance the efficiency and productivity of agricultural activities through the use of technology. As of October, 2015, we merged with Novariant, which, through our combined product portfolios and leveraged industry-leading intellectual property, places us in a preeminent position in automated steering and machine control technologies. As a result of the Merger Transaction, we believe our business is better positioned to achieve market objectives through leveraging a larger presence with more resources and a broader OEM partner list, increased research and development capability and reductions in operating redundancy. See "*Significant Acquisitions – Merger Transaction*".

We design, manufacture and market products and applications incorporating technologies that provide intelligent automation and navigation solutions through the sophisticated integration of GNSS positioning, and other technologies for precision machine guidance, steering and flow control. More particularly, our products offer accurate positioning and machine control capabilities for the agriculture sector, including machine control and auto-steering systems. Our Outback Guidance® product line for agricultural markets enables farmers to navigate their fields with minimal overlap whether in straight lines or contours in any visibility, including darkness. Our air agriculture products include guidance systems, rate control and related services for the aerial application market. This includes spraying and spreading equipment, pattern and mission control software, automated constant or variable flow control for liquid and dry materials, prescription mapping, asset tracking, cloud based file pushing/pulling, imagery-based services and more. With the completion of the Merger Transaction on October 15, 2015, we have expanded both our product offering and our worldwide customer base in the precision agriculture market.

Our product lines include high-accuracy positioning sensor technology, displays and software applications and ground and aerial guidance solutions and machine control. Following the completion of the Merger Transaction in October of 2015, AgJunction's product lines expanded to include SimpleSteer™, the MDU-G4 Steering Wheel Motor and the ECU-S1 Autosteering Controller.

Industry Background

AgJunction is a machine control solutions provider to the precision agriculture market. Our products and solutions insure that a farmer's machine can precisely reach a pre-planned path and then "steer" that path with as little additional input from the farmer as possible. This requires a substantial expertise in technologies like position and motion sensors, situational awareness technologies like radar and cameras, etc., understanding hydraulic and electric machines and various different types of software.

Business Strategy

Product Innovation:

Our success has been driven by our ability to develop new positioning, guidance and machine control technologies, to respond to environmental and market changes, and to apply creativity and innovation in the development of new

solutions that meet the evolving demands of our customers. We will continue to drive product leadership through focus and innovation.

Develop Strategic Relationships:

We believe that strategic relationships with suppliers, OEMs, value added resellers ("VARs"), dealers, distributors and other customers are critical to long-term success. We will continue to develop existing and new strategic relationships.

International Expansion:

We believe that focus on international expansion is important to position for mid to longer-term growth opportunities and to buffer the seasonality associated with our exposure to the North American agricultural markets. Key emerging markets include South America, China and Eastern Europe.

New Vertical Markets and Applications:

We have achieved strong positions in the ground agriculture, aerial agriculture and other markets. To support mid to longer-term growth, we seek expansion to new vertical markets, such as machine to machine communication and facilitating agriculture data utilization and retrieval, where we can leverage our core strengths in positioning, guidance, machine control, steering and flow control technologies and applications.

Optimize Product Cost:

We continue to aggressively pursue opportunities to reduce or optimize the cost of our products through product design, manufacturing efficiencies, procurement and logistics strategies, with an objective to balance functionality, performance and quality with customer needs.

Enhance Manufacturing Quality and Capacity:

All manufacturing activities have been outsourced to trusted partners that procure materials and manufacture our products to our specification. These outsourced partners carry the highest level of quality certifications required by us and expected by our customers. They will reduce costs, increase capacity and continue to provide a high-level of continuous process and quality improvements.

Quality Certification:

In respect to our internal quality process and procedures, we have received ISO 9001:2008 certification for all operations carried on in Hiawatha, Kansas as well as our global engineering centers in Fremont, California, Brisbane, Australia and Scottsdale, Arizona confirming the Corporation's commitment to improving customer satisfaction in all aspects of its operations. AgJunction received its ISO 9001:2008 registration from NQA USA, an accredited registrar that performs assessments of management systems against requirements of national and international standards for quality. The certification is valid until January 25, 2018 and is applicable to all facets of AgJunction operations - design, development, production and distribution of its precision agriculture hardware solutions and associated components.

Pursue Strategic Growth:

We believe that we have the products, brands, people and intellectual property that can continue to support organic growth. However, we will supplement internal growth and technology development with strategic growth initiatives such as strategic partnerships, alliances, and acquisitions when and where we believe they will accelerate the achievement of our business strategy. We cannot predict whether any opportunities will result in partnerships,

alliances, or acquisitions and there can be no assurance that suitable candidates will be identified or acquired on favourable terms, or that the acquired operations will be profitably operated or integrated into our operations.

Invest in our Intellectual Capital:

We believe the employees in all levels of our organization have been, and will continue to be, the key factor in achieving our objectives. As a result, we continue to place a high priority on our intellectual capital.

Agriculture Products

Outback Guidance Products

In 2012, AgJunction GPS introduced Outback MAX™ with Outback ConnX™ — the next generation Outback Guidance® system that redefines simplicity in precision farming. Working seamlessly with Outback eDriveX™ with eTurns™, the Outback MAX integrated display terminal provides a full array of features including section and variable rate control, Eclipse™ L1/L2 GPS and GLONASS guidance and video support for up to four monitoring cameras. The terminal is also capable of performing as an ISOBUS Universal Terminal allowing the terminal to communicate with ISO ready implements regardless of brand or color.

In addition to Outback MAX, our Outback Guidance product line for agricultural markets includes our *Outback S-Lite*, *Outback S3*, *Outback S3*, *Outback eDriveTC™*, *Outback VSi*, *Outback BaselineX™*, *Outback AC110™* and *Outback eDriveX* product, featuring *eTurns* the "Industry's first aftermarket and multi-tractor platform auto-turn solution. We recently released the *Outback AC110* integrated rate and section controller as well as our second generation dual frequency, GPS + GLONASS, smart antenna *A320* and *A321* base station.

Outback STX is the Corporation's value based, touch screen terminal. Utilizing the embedded, smaller L1/L2 GPS and GLONASS P300 receiver, the *Outback STX* is capable of full RTK utilizing the same portable base station receiver units that calculate and broadcast localized code and carrier phase corrections to mobile GNSS receivers and *A321* base stations as *Outback MAX*. *Outback STX* is also compatible with the full line of Outback autosteer systems such as *eDriveTC* and *eDriveX* along with *VSi* providing up to centimeter level guidance.

Outback S-Lite is AgJunction's entry level lightbar guidance featuring the US Federal Aviation Administration's Wide Area Augmentation System level solution powered by our own high-accuracy Crescent GNSS technology.

All of our Outback products enable farmers to navigate their fields with minimal overlap whether in straight lines or contours in any visibility, including darkness. Eliminating overlap saves enough time, fuel, fertilizer and pesticide that farmers say they typically recoup the costs of their easy-to-install and operate guidance systems in less than 12 months. *Outback S-Lite* is a low-cost, portable, entry-level GNSS guidance solution for non-precision spraying, spreading and broad-acre tillage and seeding. The *Outback MAX* and *STX* products provide increased functionality and accuracy required for more sophisticated growers. *Outback eDriveX*, *eDriveTC* and *Outback VSi* work with *Outback MAX* and *Outback STX* to provide GNSS-assisted auto-steering that enables farmers to drive their tractors and other self-propelled agricultural equipment hands-free, along straight, contoured or pivot lines. Each system significantly increases the driving accuracy and enables operators to focus their attention on monitoring sprayers, combines or other equipment achieving even greater efficiency. A key benefit is the reduction in driver fatigue – enabling the machinery to operate for more hours each day or through the night if necessary. In addition, *eDriveX* can be used in conjunction with precision farming techniques focused on improved efficiency, productivity and yields such as "strip-till" farming which requires highly accurate planting and application of fertilizer and other chemicals.

Outback A321, featuring AgJunction *Eclipse II* GNSS, RTK and *SureTrack™* technologies, provide accuracy to the centimeter level for agricultural applications while also being more affordable than competing systems. *Outback A321*

is available as a portable or fixed base station receiver that calculates and broadcasts localized corrections to rover products. *The Outback A321* offers a wide range of communication options including 900 and 400MHz radios.

Outback AC110 is an automatic rate and section control product that works directly with *Outback MAX*. *AC110* monitors and controls liquid, dry or anhydrous application rate and implement sections to minimize overlaps and skips. It offers single product rate control, up to ten section automatic control, manual section control and user adjustable section overlap. Machine and rate controller specific interface kits are available for a wide variety of vehicles and applications.

Outback eDriveXD™ offers decimeter-level accuracy and the new high-performance *eDriveXC™* offers centimeter-level accuracy. The eDriveX Series products are engineered for compatibility with a wide variety of brands of tractors, sprayers, spreaders and combines via hydraulic or electric steer interfaces. Both systems are designed to be fully compatible with the *Outback MAX™* or *Outback STX™* advanced GPS Guidance terminals.

Air Agriculture Products

Our air agriculture products include guidance systems, rate control, cloud-based software and related services for the aerial application market. This includes spraying and spreading equipment, pattern and mission control software, automated constant or variable flow control for liquid and dry materials, prescription mapping, asset tracking, cloud-based file pushing/pulling, imagery-based services and more. Products include *Satloc G4*, *Satloc Bantam*, *LiteStar II™*, *Intelliflow®*, *IntelliGate™ Controller*, *MapStar™* and *HQ Asset Tracker™*.

Satloc G4 is our top end aircraft guidance system for aerial applicators. It delivers a high-level of guidance performance through an intuitive lightbar and graphical display while enabling aerial application companies to leverage cloud-based services in order to make their jobs more efficient. *Satloc G4's* connectivity feature offers pilots the ability to transfer application data wirelessly, accept work orders and maps through the Internet, access the guidance system from remote locations such as the office, truck or mobile device and directly communicate through Skype™ audio and video. *Satloc G4* contains the processing power of the Intel® Core™ i7 processor and Microsoft® Windows® 7, 64-bit Operating System. It lends itself to a high level of instant communication, data retrieval and transfer, knowledge center access and improved training and troubleshooting methods. Combining this with *G4's* guidance patterns, background maps and automated liquid and dry rate control capability, pilots are able to fly and apply with improved performance, efficiency and safety.

Satloc Bantam is our mid-level aerial guidance system for aerial applicators. *Bantam* allows pilots to fly and spray precise patterns using constant rate flow control reducing fuel, flying time and application costs. The system is lightweight and rugged, perfectly designed for specialty installations in helicopters and smaller aircraft.

LiteStar II is an entry-level guidance system. It was designed to offer basic guidance features to customers needing only the essentials to work on spray jobs. It is lightweight and inexpensive.

Intelliflow enables liquid flow control for aerial guidance applications. Our *IntelliGate Controller* delivers precise application for dry materials in aerial guidance applications. Both products have the capability to operate in variable rate mode or automatically turn on and off inside and outside of field boundaries.

MapStar is a unique multi-featured pre-flight and post-analysis desktop software that provides the operator with important information regarding the entire application and essential flight parameters. Common GIS formats can be converted within this software to allow ease of use with other software platforms.

HQ Asset Tracker is a real time tracking system that operates with cell or satellite modems. Logins are performed through a website managed by AgJunction and users can track their aircraft and other assets. The *Satloc G4*, and *Satloc Bantam* can output configurable data sets to be broadcast, recorded and viewed live on our website. Managers, ground crews and all support staff can now make better decisions with real time knowledge of key status data such as arrival times and remaining load per aircraft. *HQ* can send work orders directly to the *Satloc G4* to significantly reduce setup and management time. *HQ* provides for the exchange of information between our customers and third-party companies for improved management services.

LiteStar III is the next generation of entry level affordable guidance system for aerial applicators, which includes simplified navigation set-up and guidance options.

Novariant Products

SimpleSteer™

Released in August of 2013, SimpleSteer™ is a high-precision autosteering display solution for precision agriculture that runs on a consumer tablet device. The SimpleSteer™ software solution converts a consumer tablet into a wireless control console for advanced autosteering operation of tractors, combines, and other farm vehicles. SimpleSteer™ is offered as an affordable easy-to-use autosteer display alternative to complement AgJunction's current suite of precision steering solutions that is available through select VAR partners. SimpleSteer™ was awarded the 2014 AE50 Outstanding Innovation award.

MDU-G4 Steering Wheel Motor

Released in December of 2013, MDU-G4 is a fourth generation hands-free, cost-effective, assisted steering solution that provides centimeter (sub-inch) level accuracy, when used with an RTK correction signal, without the complexity of installing a hydraulic system. MDU-G4 mounts on an existing steering wheel without requiring the removal of the steering wheel during install and can be switched between vehicles seamlessly in minutes.

ECU-S1 Autosteering Controller

Released in January of 2014, the ECU-S1 is a high-precision autosteering controller that can be interfaced with any certified partner GNSS receiver and display to build a complete autosteering solution for precision agriculture applications. The ECU-S1's unique ability to interoperate with multiple GNSS receivers and/or displays provides OEMs with flexibility to select the best-of-the-breed display, GNSS source and vehicle interface. The ECU-S1 offers industry-leading performance in terms of line acquisition and steering accuracy and provides an ideal solution for OEMs and VARs that demand greater flexibility for product configuration and customization. The ECU-S1 was awarded the 2015 AE50 Outstanding Innovation award from the American Society of Agricultural and Biological Engineers at the 2015 Agricultural Equipment Technology Conference.

Custom Install Kits

Novariant offered highly customized steering system install kits that are engineered specifically for the vehicle type on which they are to be installed. This differentiation from a generic non-specific kit ensures steering performance is optimized in a retrofit application. Moreover, with over 850 kits to choose from AgJunction's VAR and OEM customers will now be able to rely on these install kits to seamlessly install steering solutions with reduced machine downtime.

Other Agriculture Products

Through an exclusive agreement with Hemisphere HGNSS ("**Hemisphere**"), we also sell a line of GNSS receivers as products, antennas and board level solutions into the agriculture market. These products focus on OEM and commercial customers based on customized hardware and software system solutions to meet specific customer applications. These include Hemisphere's industry leading single frequency P102 receiver and A101 smart antenna using *Crescent* GNSS technology and Dual Frequency, GPS+GLONASS, P300 receiver, A320 rover and A321 base stations. In addition, the newly released AgJunction A325 dual frequency smart antenna provides a low cost antenna and receiver solution in a compact form.

Research and Product Development and Specialized Skills and Knowledge

The focus of AgJunction research and development team is on expanding our core machine control solutions and positioning sensor technologies and on developing new products and applications. We believe that our research and product development capabilities are critical factors contributing to our success and primary barriers to potential competitors' entry into the machine control agricultural industry. Accordingly, we intend to continue investing significant resources in research and product development.

Our research and development team includes individuals with specialized skills in the following disciplines, among others: electrical engineering, radio-frequency engineering, geomatics engineering, mechanical design, system architecture and software design. Although the availability of these resources is limited, we have not experienced significant problems accessing the required skill and knowledge required for our research and development activities.

Intellectual Property and Intangible Properties

We have developed a significant portfolio of intellectual property including trade secrets, technology, product designs, software, patents, trademarks and brand names, among others. As of December 31, 2015, on a consolidated basis, we hold approximately 140 patents and had 31 patents pending in the USA, Canada, Europe and Australia in addition to a few other international filings.

Marketing, Sales and Distribution

Our strategy for sales and distribution of our products in our air and non-North American ground agriculture product lines has generally been through large OEMs, dealer networks and distributors with established channels for multi-country distribution. This strategy eliminates the need to devote significant direct resources to developing these

distribution channels on our own. This strategy has enabled us to participate in a broader range of high-growth commercial and consumer GNSS-enabled markets.

For sales of ground agriculture products in North America and Australia, we have established over 300 Outback Guidance Centres ("**OGC**"). Each OGC is responsible to support sales of our Outback line of products to end-user customers in defined territories. Outside of North America and Australia, we have established relationships with a variety of distributors for the Outback product line who sell to the end-user customers.

Our agriculture division serves global markets. Of our 2015 sales, 40% (2014– 61%) occurred in North America, 49% (2014 – 34%) occurred in Europe, the Middle East and Africa, 11% (2014 – 5%) occurred in Asia and the Pacific, including Australia. From a customer's perspective, the primary benefits provided by our products are increased accuracy in navigation, improvements in productivity, increased safety and savings in costs and time. For example, in farming applications, our guidance products result in savings to users through reduced overlap and reduced driver fatigue. In addition, our products can be used in conjunction with precision farming techniques focused on improved efficiency, productivity and yields such as "strip-till" farming which requires highly accurate planting and application of fertilizer and other chemicals. Significant cost savings can be achieved by using these types of precision farming techniques.

Competition

We have competitors in each of our target markets and expect competition to intensify as acceptance and awareness of machine control technology increases. One of our main competitors is Trimble Navigation Limited ("**Trimble**"). Trimble's products currently address the survey and mapping, tracking and communications, navigation, precision agriculture, construction, and military systems markets. Other competitors offering products similar to those of AgJunction include Topcon Positioning Systems, Leica Geosystems, NovAtel Inc. and Raven Industries. In addition, we expect to face competition from new market entrants over time.

We believe the principal competitive factors in the markets we serve include: price, ease of use, physical characteristics, power consumption, product features (including accuracy), breadth of solution, product reliability, size of the installed base, brand reputation, vendor reputation and financial stability of the vendor. We believe that our products compete favourably with competitors' products on many of the foregoing factors and as a result, we have achieved a strong market position in certain areas including ground agricultural guidance and auto-steering, aerial agricultural guidance and flow control. We recognize that some of our competitors may have access to greater financial, marketing, service and support and technological resources. See "*Risk Factors*".

Manufacturing

We utilize outsourced manufacturing partners in lower cost regions in the procurement of materials per our specification, applying highly skilled labour and best in class manufacturing practices to manufacture, test and directly ship products to our customers. We utilize our Hiawatha, Kansas facility for some product configuration activities as needed, as a service and repair center, as well as one of the two fulfilment operations centers in the United States.

Our operations organization provides production engineering services internally and for our external manufacturing partners to ensure that our products can be manufactured at the highest level of quality and test coverage, technical production problems are corrected and averted and alternative production methodologies are introduced to remain competitive. In addition, vendor and subcontractor qualifications are reviewed by the operations engineering and quality group whilst test engineering provides test methodologies, equipment and software and guides our internal engineering and our external manufacturing partners in achieving specifications and ensuring product integrity. We carefully select, classify and qualify our suppliers. Achieving multiple supply sources for all components used in our assemblies is our ultimate and desired goal, and is evaluated on a regular basis, but currently is not available in all circumstances. However, we do apply various risk mitigation solutions in dealing with single sourced components.

The continued utilization of our Enterprise Resource Planning ("**ERP**") system has assisted us to improve the effectiveness and efficiency of our operations, including inventory management and manufacturing. In addition, we

have undertaken a number of initiatives focused on improving our effectiveness in quality, procurement, inventory management, design cost, product-life cycle management, among others.

We are determined to maintain our position as a low-cost, customer focused, high-quality producer and to ensure that production processes are responsive, smooth and flexible to serve the needs of our customers.

Facilities

We conduct operations from facilities in Fremont, California; Scottsdale, Arizona; Hiawatha, Kansas; Winnipeg, Manitoba and Brisbane, Australia; to assemble products, carry out research and development, sales and marketing, and finance and administration activities. We own the facility in Hiawatha, Kansas and lease the facilities in other locations.

Cyclical

The cyclical nature and competitiveness of the industry in which we sell and distribute our products may have an effect on the Corporations' ability to generate revenue and earnings. Our business tends to peak during the first six months of the year, drop off fairly significantly in the third quarter and then demand for our products and services increases again in the fourth quarter. This volatility can create fluctuating demand for our products and services, which can have an adverse effect on the Corporation's business, financial condition and results of operations.

Personnel

At December 31, 2015, we had 167 employees in total, with 60 in research and development, 45 in sales and marketing, 32 in operations and 30 in administration.

As of December 31, 2015, we had 11 contractors in total working in various divisions.

See "*General Development of the Business – Three Year History – 2015*".

Anticipated Changes in the Business

As at the date hereof and other than as disclosed herein, we do not anticipate that any material change in our business will occur during the balance of the 2016 financial year. See "*General Development of the Business*" and "*Recent Developments*".

Reorganizations

As at the date hereof and other than as disclosed herein, including under "*Recent Developments*" and "*Significant Acquisitions*", there have been no material reorganizations of the Corporation and or any of our subsidiaries within the three most recently completed financial years or proposed for the current financial year. See "*General Development of the Business*", "*Recent Developments*" and "*Significant Acquisitions*".

CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of first preferred shares, issuable in series (the "**First Preferred Shares**") and an unlimited number of second preferred shares, issuable in series ("**Second Preferred Shares**"). As at March 24, 2016, an aggregate of 123,405,391 Common Shares, no First Preferred Shares and no Second Preferred Shares were issued and outstanding.

The following is a summary of the rights, privileges, restrictions and conditions attaching to each class of shares.

Common Shares

The holders of Common Shares are entitled to one vote at all meetings of our shareholders except at meetings of which

only holders of a specified class of shares are entitled to vote. The holders of Common Shares are entitled to receive, subject to the prior rights and privileges attaching to any other class of our shares, such dividends as may be declared by us. Holders of Common Shares are entitled upon any liquidation, dissolution or winding-up of the Corporation, subject to the prior rights and privileges attaching to any other class of shares of the Corporation, to receive the remaining property and assets of the Corporation.

First Preferred Shares

Our Board may at any time and from time to time issue First Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board. The Corporation has no outstanding First Preferred Shares at this time.

The First Preferred Shares of each series rank on a parity with the First Preferred Shares of every other series with respect to accumulated dividends and return of capital. The First Preferred Shares shall be entitled to a preference over the Second Preferred Shares and the Common Shares and over any other shares of the Corporation ranking junior to the First Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding-up our affairs.

The rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the First Preferred Shares given as specified in our articles.

Second Preferred Shares

Our Board may at any time and from time to time issue Second Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board. The Corporation has no outstanding Second Preferred Shares at this time.

The Second Preferred Shares of each series rank on a parity with the Second Preferred Shares of every other series with respect to accumulated dividends and return of capital. The Second Preferred Shares shall be entitled to a preference over the Common Shares and over any other shares of the Corporation ranking junior to the Second Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding-up our affairs.

The rights, privileges, restrictions and conditions attaching to the Second Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the Second Preferred Shares given as specified in our articles.

Shareholder Rights Plan

On March 19, 2010, our Board approved the adoption of a shareholder protection rights plan (the "**Shareholder Rights Plan**"), which was approved by our shareholders on May 18, 2010 and was re-approved by shareholders on May 15, 2013. Pursuant to the Shareholder Rights Plan, one right ("**Right**") is attached to each Common Share. The Rights will separate from the Common Shares to which they are attached and will become exercisable upon the occurrence of certain events in accordance with the Shareholder Rights Plan. Subject to adjustments as provided in the Shareholder Rights Plan, each Right will entitle the holder to purchase one Common Share at a price equal to \$50.00 (the "**Exercise Price**") and, in the event of a "Flip-In Event", as that term is defined in the Shareholder Rights Plan, each Right will constitute the right to purchase from us, upon payment of the Exercise Price and otherwise exercising such Right in accordance with the terms of the Shareholder Rights Plan, that number of Common Shares having an aggregate market price (based on the prevailing market price at the time of the consummation or occurrence of the Flip-in Event), equal to twice the Exercise Price. The Shareholder Rights Plan is similar to plans adopted by several

other Canadian issuers and approved by their security-holders. A copy of the Shareholder Rights Plan is available on our SEDAR profile at www.sedar.com.

The Board has approved an amended and restated shareholders rights plan agreement (the "**Amended Agreement**"), which will be placed before shareholders for approval at AgJunction's upcoming annual general and special shareholders meeting scheduled for May 26, 2016. If the Amended Agreement is approved by the shareholders of AgJunction at such meeting, the Amended Agreement will be effective until the close of business of the annual general meeting of shareholders of AgJunction held in 2019, unless it is reconfirmed at such meeting or it is otherwise terminated in accordance with its terms.

The Amended Agreement was approved by the Board in response to the proposed legislative changes to Canada's take-over bid regime, including the Canadian Securities Administrators Notice dated February 25, 2016 - *Amendments to the Take-Over Bid Regime – Amendments to Multilateral Instrument 62-104 – Take-Over Bid and Issuer Bids and Changes to National Policy 62-203 – Take-Over Bids and Issuer Bids* (the "**CSA Notice**") and the consequential amendments, which are expected to be effective May 9, 2016 (the "**Legislative Changes**"). In view of these proposed Legislative Changes as set forth in CSA Notice, under the terms of the Amended Agreement, it is proposed that the definition of a "Permitted Bid" be increased from 60 days to 105 days. Furthermore, it is proposed that provisions be added to make it clear that if the Corporation determines to announce that it is reducing a proposed bid period to a shorter period of at least 35 days, the shorter period would apply to all contemporaneous bids, and if the Corporation announces a friendly transaction, the minimum deposit period for all contemporaneous bids would automatically be reduced to 35 days.

In originally adopting the Shareholder Rights Plan, the Board considered the then existing legislative framework governing take-over bids in Canada. The directors believed such legislation did not provide sufficient time to permit shareholders to consider a take-over bid and make a reasoned and unhurried decision with respect to a bid or give the Board sufficient time to develop alternatives for maximizing shareholder value.

Shareholders also may have felt compelled to tender to a bid even if the shareholder considers such bid to be inadequate out of a concern that failing to tender may result in a shareholder being left with illiquid or minority-discounted common shares. While the Legislative Changes address many concerns related to unequal treatment of securityholders, there remains the possibility that control of an issuer may be acquired pursuant to private agreements in which a small group of securityholders disposes of securities at a premium to market price, which premium is not shared with the other securityholders. AgJunction's current Shareholder Rights Plan addresses this concern, as does the Amended Agreement.

Prior Sales

During the year ended December 31, 2015, we granted an aggregate of 3,040,327 stock options to acquire an aggregate of 3,040,327 Common Shares with a weighted average exercise price of Cdn \$0.60. Other than such stock options, we did not issue any securities, other than Common Shares, during the year ended December 31, 2015.

DIVIDEND POLICY

We have not paid any dividends on the Common Shares during the last three financial years. The future payment of dividends will be determined by the Board, and will depend on the financial needs of the Corporation to fund future growth, the general financial condition of the Corporation, capital expenditure requirements, potential acquisition opportunities, debt position and other conditions that the Board may consider relevant at such future time, including the satisfaction of the liquidity and solvency tests imposed by the ABCA for the declaration and payment of dividends. The amount of future cash dividends, if any, may also vary depending on a variety of factors, including capital expenditure requirements, general and administrative costs and foreign exchange rates.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To our knowledge, as of March 24, 2016, the only Common Shares held in escrow or subject to contractual restriction

on transfer are the following:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares (management retention plan of Novariant ⁽¹⁾)	2,830,433	2.3%
Common Shares (restricted shares ⁽²⁾)	1,792,302	1.5%

Notes:

- (1) These Common Shares were issued pursuant to restricted share agreements entered into in connection with the Merger Transaction with participants ("**Holder**s") under Novariant's former management retention plan. Such Common Shares will not be transferable by those Holders until, on or after October 15, 2016, subject to their continued employment or service with us and any of our subsidiaries, affiliates or associates through such date. If prior to such date, the Holder's employment or service with AgJunction is terminated, any Common Shares set forth above that have not vested will be immediately forfeited and the Holder will not have any further rights or interest in such Common Shares. Notwithstanding the foregoing, in the event a Holder's employment or service is terminated without cause or for good reason, all of the Common Shares that are not vested on the date of such termination shall vest on the date of such termination and the restrictions on transfer with respect to such Common Shares shall lapse on such date. In the event we are subject to a Change of Control (as defined in the agreements with Holders), all of the Common Shares that are not vested as of the effective date of such Change of Control shall immediately vest and the restrictions on transfer with respect to such Common Shares shall lapse at such time. If any Common Shares are forfeited as set forth above, such Common Shares shall be returned to us for cancellation and an equal number of

Common Shares will be issued to the other Holders, on a pro rata basis, subject to the restrictions on transfer and vesting conditions set forth above.

- (2) These Common Shares are issued to directors, officers and other service providers of ours and are subject to vesting and risk of forfeiture under the terms of our restricted share plan.

MARKET FOR SECURITIES

Our Common Shares are listed and posted for trading on the TSX under the symbol "AJX".

The following table shows the price range and trading volume of the Common Shares as reported by the TSX for the periods indicated:

Period	High (Cdn\$)	Low (Cdn\$)	Volume
<u>2015</u>			
January	0.64	0.51	863,413
February	0.63	0.52	624,824
March	0.84	0.53	1,522,773
April	0.78	0.64	752,362
May	0.75	0.61	832,924
June	0.64	0.55	1,462,186
July	0.58	0.41	4,528,949
August	0.50	0.40	4,936,735
September	0.64	0.43	729,219
October	0.71	0.56	522,284
November	0.66	0.60	577,576
December	0.66	0.61	473,720
<u>2016</u>			
January	0.70	0.48	476,023
February	0.58	0.46	344,539
March 1 – March 24	0.54	0.48	137,900

DIRECTORS AND OFFICERS

The names, provinces/states and countries of residence, positions with the Corporation and principal occupation during the last five years of the directors and officers of the Corporation are set out below and in the case of directors, the period each has served as a director of the Corporation.

<u>Name, Province and Country of Residence</u>	<u>Position</u>	<u>Principal Occupation During the Last Five Years</u>
Mark W. Anderson ⁽²⁾⁽³⁾ Pennsylvania, USA	Director since January 2012	President, Chief Executive Officer and owner of GVM, Inc. Prior thereto, founder of AgJunction Inc., which was subsequently acquired by Hemisphere GPS.
Paul G. Cataford ⁽¹⁾⁽³⁾ Alberta, Canada	Director since 2004 and Chairman of the Audit Committee	President and Chief Executive Officer of Zephyr Sleep Technologies from 2010 to present and a board member with Sierra Wireless Inc., CANTelematics and Defence Construction Canada. Prior thereto, President and CEO of University Technologies International Inc. (UTI).
Jonathan W. Ladd New Hampshire, USA	Director and Senior Strategic Advisor since October 2015 and Chairman of the Board	Currently Senior Strategic Advisor for AgJunction since October 2015. Independent Business Consultant and director of Novariant Inc. from October 2012 to October 2015. Prior thereto, over 35 years of senior management experience in the GPS/GNSS and the wireless industries, including Chief Executive Officer and Chairman at Brilliant Telecommunications, President and Chief Executive Officer at NovAtel Inc., executive positions at Thales Navigation, Magellan Inc. and Ashtech Inc. and board positions at Trusted Positioning Inc., Nexteq Navigation, RF Monolithics and Hemisphere GNSS Inc.
Michael J. Lang ⁽¹⁾⁽²⁾ Alberta, Canada	Director since 1996 and Vice Chairman of the Board and Chairman of the Compensation Committee	Chairman of StoneBridge Merchant Capital Corp. Prior thereto, director of a number of publicly traded and private companies over the last ten years and co-founder and Vice Chairman of Beau Canada Explorations Ltd.
Jose F. Suarez ⁽²⁾⁽³⁾ California, USA	Director since October 2015	Managing Director of Investor Growth Capital, Inc. Prior thereto, based in Investor Growth Capital, Inc.'s Asian office managing a broad range of investments both in the public markets and in privately negotiated situations.
John M. Tye III ⁽¹⁾⁽³⁾ Texas, USA	Director since May 2006 and Chairman of the Corporate Governance Committee	President and Chief Executive Officer of Learwood Capital, Inc., a private investment company. Prior thereto, Chairman of Bigham Brothers Inc., President and Chief Executive Officer of AgEquipment Group and a partner at InterAg Technologies.
David E. Vaughn California, USA	Director, President and Chief Executive Officer since October 2015	Currently, President and Chief Executive Officer of AgJunction since October 2015. President and Chief Executive Officer of Novariant from May 2012 to October 2015. Prior thereto, over 20 years of senior executive experience in precision guidance and agri-businesses similar to AgJunction. His roles included executive-level positions with Topcon Positioning Systems Inc., NovAtel Inc., Magellan Inc. and Trimble Navigation Limited. He has served on the board of directors for a number of technology corporations and has extensive professional experience in the high-tech sector, including serving in an executive capacity with Apple Inc. and Hewlett-Packard.

<u>Name, Province and Country of Residence</u>	<u>Position</u>	<u>Principal Occupation During the Last Five Years</u>
Bob A. Barjesteh Washington State, USA	Vice President, Mergers and Acquisitions, Intellectual Property and General Counsel (US) since January 28, 2016	Currently Vice President, Mergers and Acquisitions, Intellectual Property and General Counsel of AgJunction since January 2016. Managing Director and Chief Legal Officer with ClaroVia Technologies LLC from November 2012 to December 2015. Other roles included executive and management positions at 3M Company and Arthur Anderson LLC.
Mark S. Bittner California, USA	Senior Vice President of Global Sales and Customer Care since October, 2015	Currently, Senior Vice President of Global Sales and Customer Care of AgJunction since October 2015. Over 30 years of sales management experience, serving in an executive role at Novariant from July 2012 to October 2015. Prior thereto, held executive positions at Topcon Positioning Systems Inc., Tierra S.p.A, Proxim Wireless, At Road and held other leadership roles at Trimble Navigation Limited and ExxonMobil.
Husam Kal California, USA	Senior Vice President of Global Operations and Business Information Systems since October, 2015.	Currently, Senior Vice President of Global Operations and Business Information Systems of AgJunction since October 2015. Over 25 years of supply chain, operations and engineering experience, including executive roles at Novariant from July 2012 to October 2015 and Tria from August 2011 to November 2012. Prior thereto, held influential leadership roles at Trimble Navigation Limited, Proxim Wireless, Lucent Technologies and Hypercom.
Michael A. Manning Missouri, USA	Interim Senior Vice President and Chief Financial Officer since June 25, 2015 ⁽⁴⁾	Currently Interim Senior Vice President and Chief Financial Officer of AgJunction since July 2015. Interim CFO for Heartland Automotive from January to July 2015. Chief Financial Officer with Unitech Holdings from 2012 to 2014. Prior thereto, Global Chief Financial Officer of the Hospitality unit with ASSA ABLOY's Global Technologies Division, and Chief Financial Officer and then President of Cargotec Holding, Inc.
Kevin D. Monk Illinois, USA	Vice President, Marketing since February 2016	Currently Vice President, Marketing of AgJunction since February 2016. Senior consultant with The Context Network from September 2014 to January 2016. Prior thereto, Senior Consultant and Strategic Innovator at Memes Associates Limited from January 2012 to January 2016. Over 15 years of precision agriculture industry experience having held positions with Deere & Co. in their field, factory and global advanced marketing divisions as well as with CNH Industrial N.V. as the director of Marketing, Precision Ag and Construction.

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance Committee.
- (4) On March 28, 2016 we announced that Mr. Mike Manning has been appointed Senior Vice President and Chief Financial Officer effective April 1, 2016 and will no longer carry the "interim" title.

Our directors will hold office until the next annual general meeting of our shareholders or until each director's successor is appointed or elected pursuant to the ABCA.

As at March 24, 2016, our directors and officers as a group, beneficially owned or controlled or directed, directly or indirectly, 34,305,945 Common Shares or approximately 27.8% of the issued and outstanding Common Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No current director or executive officer of the Corporation has, within the last ten years prior to the date of this document, been a director, chief executive officer or chief financial officer of any issuer (including the Corporation) that, (i) while the person was acting in the capacity as director, chief executive officer or chief financial officer, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days; or (ii) was subject to an order that was issued, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of an issuer, and which resulted in the issuer being subject to a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days, which resulted from an event that occurred while that person was acting as a director, chief executive officer or chief financial officer of the issuer.

Other than disclosed below, no current director or executive officer or security holder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has, within the last ten years prior to the date of this document, been a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- Mr. Vaughn acted as chief executive officer and a director of Soil and Topography Information, LLC ("**STI**"), a Delaware corporation which was incorporated on October 19, 2010. STI entered into a security agreement dated February 10, 2010 with Pivotal Investment Partners I, L.P. ("**Pivotal**"). The security agreement secured a loan agreement between STI and Pivotal and a secured convertible promissory note in the principal amount of \$250,000. STI was formally dissolved on October 27, 2013, following a management approved assignment of assets in lieu of foreclosure in favor of Pivotal, through its assignee, Soil Data, LLC.
- Mr. Ladd acted as chief executive officer and a director of Brilliant Telecommunications, Inc. ("**Brilliant**"). On February 18, 2011, Brilliant reached an agreement regarding the sale of substantially all of its assets to Juniper Networks. Such sale was conducted via an assignment for the benefit of creditors' process under the laws of the State of California. As part of this process, all of Brilliant's assets were transferred to a trustee who then distributed the proceeds of the sale. Mr. Ladd resigned from his positions with Brilliant shortly after the agreement with Juniper Networks was reached. On or about August 9, 2011, one of Brilliant's former customers filed a lawsuit against Brilliant and Juniper Networks alleging breach of contract and unfair business practice. On or about September 28, 2011, a default judgment was entered by the court against Brilliant. No director or executive officer of Brilliant was ever named in such law suit and Mr. Ladd had no involvement nor any liability in connection with such law suit or any other proceeding.

No current director or executive officer or security holder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has, within the last ten years prior to the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

No current director or executive officer or security holder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with

a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors and officers of the Corporation may, from time to time, be involved in the business and operations of other issuers, in which case a conflict may arise. See "*Risk Factors*".

The ABCA provides that in the event a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided under the ABCA. To the extent that conflicts of interests arise, such conflicts will be resolved in accordance with the provisions of the ABCA.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein and in connection with the Merger Transaction, there were no material interests, direct or indirect, of our directors or executive officers, any person or company who beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

See "*Recent Developments*", "*Significant Acquisitions*" and "*Directors and Officers*".

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 – *Continuous Disclosure Obligations* by us during, or related to, our most recently completed financial year other than: (i) prior to April 8, 2015, KPMG LLP, the former auditors of the Corporation; and (ii) after April 8, 2015, RSM US LLP, AgJunction's newly appointed auditors.

KPMG LLP and RSM US LLP have confirmed that they were and are, respectively, independent within the meaning of the Rules of Professional Conduct of the Professional Chartered Accountants of Alberta.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

MATERIAL CONTRACTS

As of December 31, 2015, we currently have no material contracts in place that were entered into outside of the ordinary course of business.

AUDITORS, TRANSFER AGENT AND REGISTRAR

RSM US LLP (formerly McGladrey, LLP), Suite 400, 4801 Main Street, Kansas City, Missouri, are the auditors of the Corporation.

Computershare Trust Corporation of Canada, 600, 530 – 8th Avenue S.W., Calgary, Alberta, T2P 3S8, is the Transfer Agent and Registrar of the Corporation.

AUDIT COMMITTEE INFORMATION

Our audit committee (the "**Audit Committee**") is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. The Audit Committee is composed of three external independent directors. All three are financially literate, meaning they are able to read and understand financial statements that present a breadth and level of complexity at accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the financial statements of AgJunction. The Audit Committee's Charter is available in Appendix "A" to this Annual Information Form.

Audit Committee Members

Paul G. Cataford, Calgary, Alberta – Chairman of the Audit Committee

Paul Cataford has investment, technology and business development experience from more than 20 years in the venture capital/private equity industry. Mr. Cataford is a graduate of the Institute of Corporate Directors' Directors Education Program and also currently serves on the boards of Sierra Wireless Inc. and of a number of private companies. Mr. Cataford has a Mechanical Engineering degree from Queen's University and an MBA from York University's Schulich School of Business.

Michael J. Lang, Calgary, Alberta

Michael Lang is the Chairman of StoneBridge Merchant Capital Corp. (a private investment company). Mr. Lang has been involved in the development and financing of businesses throughout his career acting as an officer and director of a variety of companies including Beau Canada Exploration Ltd., Calahoo Petroleum Ltd. and Vicom Multimedia Inc.

John M. Tye III, Plainview, Texas

John Tye III is the President and CEO of Learwood Capital, Inc. (a private investment company). He was formerly Chairman of Bigham Brothers Inc., a private manufacturer of farm equipment, from 1986 to December 2012. He has extensive industry knowledge being the only individual to have served as Board Chairman of both of the major farm equipment associations – the Equipment Manufacturers Institute and the Farm Equipment Manufacturers Association.

In addition, Mr. Tye has served with several other organizations such as the Conservation Technology Information Center and the Southern Farm Equipment Manufacturers Association.

Pre-approval Policies and Procedures – Audit and Non-Audit Services

We have adopted policies and procedures with respect to the pre-approval of audit and permitted non-audit services to be provided by RSM US LLP as set forth in the Audit Committee charter, which is reproduced in Appendix "A" to this Annual Information Form. The Audit Committee has approved the provision of a specified list of audit and permitted non-audit services that the Audit Committee believes to be typical, reoccurring or otherwise likely to be provided by RSM US LLP during the current fiscal year. The list of services is sufficiently detailed as to the particular services to be provided to ensure that the Audit Committee knows precisely what services it is being asked to pre-approve and it is not necessary for any member of management to make a judgment as to whether a proposed service fits within pre-approved services.

Auditor Service Fees

The following fees are for services provided by KPMG LLP for the year ended December 31, 2014 and for the period from January 1, 2015 to April 8, 2015, and for services provided by RSM US LLP after April 8, 2015.

Type of Service Provided	January 1, 2014 to December 31, 2014	January 1, 2015 to April 8, 2015	April 9, 2015 to December 31, 2015
Audit and Quarterly Review Fees	\$248,124	200,680	81,643
Audit-Related Fees	-		
Tax Fees (compliance related)	\$94,991	41,422	
All Other Fees	-	40,000	4,284
Total	\$343,115	282,102	85,927

Audit and quarterly review fees consist of fees for the audit of the Corporation's annual financial statements. Audit-Related Fees consist of the aggregate fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements, which include services that are normally provided in connection with statutory and regulatory filings or engagements and include fees related to the application of International Financial Reporting Standards. Tax Fees consist of the aggregate fees billed for professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning. All Other Fees listed for the period of January 1, 2015 to April 8, 2015 consist of fees paid to the auditors in connection with the professional services provided pursuant to the Merger Transaction and the change in AgJunction's auditors.

RISK FACTORS

The following is a summary of certain risk factors relating to our business. The information is only a summary of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form. An investment in the Common Shares of the Corporation involves a significant degree of risk. Prospective investors should carefully consider the following factors, together with other information contained in this Annual Information Form.

Market Conditions

Soft agricultural market conditions persisted in 2015 and are expected to continue in 2016. Such markets and adverse geopolitical events could have a negative impact on our 2016 performance. Our agricultural product sales have typically been affected to some extent each year by drought conditions or floods in certain markets. Should negative weather conditions arise in any of the key markets in 2016, we could realize lower-than-expected revenues in the

impacted market areas and this could affect the Corporation's ability to obtain equity or debt financing on acceptable terms.

Dependence on New Products

We must continue to make significant investments in research and development to develop new products, enhance existing products and achieve market acceptance for such products. However, there can be no assurance that development-stage products will be successfully completed or, if developed, will achieve significant customer acceptance. If we are unable to successfully define, develop and introduce competitive new products, and enhance existing products, our future results would be adversely affected.

Dependence on Key Personnel and Consultants

Our success is largely dependent upon the performance of personnel and key consultants. The unexpected loss or departure of any of the key officers, employees or consultants could be detrimental to our future operations. Our success will depend, in part, upon our ability to attract and retain qualified personnel, as they are needed. The competition for highly skilled technical, research and development, management, and other employees is high in the GNSS industry. There can be no assurance that we will be able to engage the services of such personnel or retain our current personnel.

Competition

We are in a highly competitive industry that is constantly evolving and changing. We expect this competition to increase as new competitors enter the market. Many of our competitors have greater financial, technical, sales, and production and marketing resources. We compete with companies that also have established customer bases and greater name recognition. This may allow competitors to respond more quickly and better implement technological developments. There is no assurance that we will be able to compete on the same scale as these companies. Such competition may result in reduced sales, reduced margins or increased operating expenses.

Third-Party Dependence

Many of our products rely on signals from satellites and other ground support systems that we do not own or operate. Such satellites and their ground support systems are complex electronic systems subject to electronic and mechanical failures and possible sabotage. The satellites have limited design lives and are subject to damage by the hostile space environment in which they operate. If a significant number of satellites were to become inoperable, there could be a substantial delay before they are replaced with new satellites. A reduction in the number of operating satellites would impair the current utility of the GNSS and/or the growth of current and additional market opportunities, which would adversely affect our results of operations. In addition, there is no assurance that the US government will remain committed to the operation and maintenance of GPS satellites over a long period of time; or, that the policies of the US government for the commercial use of GPS without charge will remain unchanged.

We are also largely dependent on the ability of farmers and agricultural subcontractors known as custom operators to purchase agricultural equipment, which includes our products. Agricultural income levels are affected by agricultural commodity prices and input costs. As a result, changes in commodity prices that reduce agricultural income levels could have a negative effect on the ability of growers and their contractors to purchase our products.

Availability of Key Suppliers

We are reliant upon certain key suppliers for raw materials and components and no assurances can be given that we will not experience delays or other difficulties in obtaining supplies, as a result of trade disputes or other matters. While no single vendor currently supplies more than 10% of the raw materials used by us, the raw materials used in certain operations are available only through a limited number of vendors. Although we believe there are alternative suppliers for most of our key requirements, if our current suppliers are unable to provide the necessary raw materials or otherwise fail to timely deliver products in the quantities required, any resulting delays in the manufacture or distribution of existing products could have a material adverse effect on our results of operations and our financial

condition. Further, unusual supply disruptions, such as disruptions caused by natural disasters, could cause suppliers to invoke "force majeure" clauses in their supply agreements, causing shortages of material. Success in offsetting higher raw material costs with price increases is largely influenced by competitive and economic conditions and could vary significantly. If we are not able to fully offset the effects of material availability and costs, financial results could be adversely affected.

We consume significant amounts of raw materials, the costs of which reflect in certain instances market prices for natural gas, oil and other market forces. These prices are subject to worldwide supply and demand as well as other factors beyond our control. Although we are sometimes able to pass such price increases to our customers, significant variations in the cost of raw materials can affect our operating results from period to period.

AgJunction's cost to source GNSS components may increase

AgJunction previously sourced GNSS components exclusively from UniStrong under a supply agreement that expired on January 31, 2016. AgJunction both re-sells the GNSS components to customers in the agriculture sector and embeds them in its precision steering solutions for the agriculture market. AgJunction intends to continue discussions with UniStrong for similar arrangements. Should AgJunction be unable to negotiate similar terms, AgJunction's cost to purchase GNSS components from UniStrong or another source could increase significantly.

Intellectual Property

The industry in which we operate has many participants that own, or claim to own, proprietary intellectual property. We have received, and may receive, claims from third parties alleging that the Corporation has infringed the intellectual property rights of others and we may commence lawsuits against others who the Corporation believes are infringing upon its rights. Determination of the rights to intellectual property is very complex and costly litigation may be required to establish if we have violated the intellectual property rights of others. The Corporation's involvement in intellectual property litigation could result in significant expense, adversely affecting the development of its assets or intellectual property or diverting the efforts of its technical and management personnel, whether or not such litigation is resolved in the Corporation's favour. In the event of an adverse outcome as a defendant in any such litigation, the Corporation may, among other things, be required to: (a) pay substantial damages and third party litigation costs; (b) cease the development, use, sale or importation of process that infringe upon other patented intellectual property; (c) expend significant resources to develop or acquire non-infringing intellectual property; (d) discontinue processes incorporating infringing technology; (e) obtain licences to the infringing intellectual property; and/or (f) incur legal and other costs. The Corporation may not be successful in such development or acquisition or that such licences would be available on reasonable terms. Any such development, acquisition or licence could require the expenditure of substantial time and other resources and could have a material adverse effect on the Corporation's business and financial results.

Government Regulation

Our products are subject to government regulation in the United States, Canada, Australia and other regions in which we operate. Although we believe that we have obtained the necessary approvals for the products that we currently sell, we may not be able to obtain approvals for future products on a timely basis, or at all. In addition, regulatory requirements may change or we may not be able to obtain regulatory approvals from countries in which we may desire to sell products in the future.

Credit Risk

We have undergone significant sales growth resulting in a significant growth in our customer base. As a result, we have an increasing exposure to credit risk related to trade balances owing from customers. In the normal course of business, we monitor the financial condition of our customers and review the credit history of new customers to establish credit limits. We establish an allowance for doubtful accounts that corresponds to the credit risk of our

customers, historical trends and economic circumstances. Losses could be realized by us if customers default on their balances owing.

Technology Risk

Our success in the agricultural machine control market may depend in part on our ability to develop products that keep pace with the continuing changes in technology, evolving industry standards and changing customer and end-user preferences and requirements. Our products embody complex technology that may not meet those standards, changes and preferences. We may be unable to successfully address these developments on a timely basis or at all. Failure to respond quickly and cost-effectively to new developments through the development of new products or enhancements to existing products could cause us to be unable to recover significant research and development expenses and could reduce our revenue.

Future Acquisitions

We may seek to expand our business and capabilities through the acquisition of compatible technology, products or businesses. There can be no assurance that suitable acquisition candidates can be identified and acquired on favourable terms, or that the acquired operations can be profitably operated or integrated in our operations. In addition, any internally generated growth experienced by us could place significant demands on our Management, thereby restricting or limiting our available time and opportunity to identify and evaluate potential acquisitions. To the extent Management is successful in identifying suitable companies or products for acquisition, we may deem it necessary or advisable to finance such acquisitions through the issuance of Common Shares, securities convertible into Common Shares, debt financing, or a combination thereof. In such cases, the issuance of Common Shares, First or Second Preferred Shares or convertible securities could result in dilution to the holders of Common Shares at the time of such issuance or conversion. The issuance of debt to finance acquisitions may result in, among other things, the encumbrance of certain of our assets, impeding our ability to obtain bank financing, decreasing our liquidity, and adversely affecting our ability to declare and pay dividends to our shareholders.

Proprietary Protection

Our success will depend, in part, on our ability to obtain patents, maintain trade secrets and unpatented know-how protection and to operate without infringing on the proprietary rights of third parties or having third parties circumvent our rights. We rely on a combination of contract, copyright, patent, trademark and trade secret laws, confidentiality procedures and other measures to protect our proprietary information. There can be no assurance that the steps taken will prevent misappropriation of our proprietary rights. Our competitors could also independently develop technology similar to our technology. Although we do not believe that our products or services infringe on the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against us, or that any such assertions or prosecutions will not materially adversely affect our business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, we could incur significant costs and diversion of resources with respect to the defence thereof, which could have a material adverse effect on our business.

Foreign Currency Exchange Rate Fluctuations

Sales of our products are transacted primarily in US dollars. Expenses are incurred in US dollars, Canadian dollars and Australian dollars, and as a result, we are exposed to risk associated with US, Canadian and Australian dollar currency fluctuations.

Substantially all of our sales are denominated in US dollars. A stronger US dollar, compared to the currencies of countries where AgJunction is selling its products, makes our products more expensive to customers in those countries. As a result a strengthening US dollar, as was seen during Q4 2014, throughout 2015 and Q1 2016, could have a negative impact on sales to such countries. As our operations are expanding with increased global sales, it is expected

that it may be necessary to transact sales in foreign currencies other than US dollars, thus exposing us to additional foreign currency risk.

Conflicts of Interest

Certain of our directors are or may be serving as directors of our suppliers or competitors and some are engaged and will continue to be engaged in the design, manufacture and marketing of electronic products and situations may arise where the directors may be in direct competition with our business. Conflicts of interest, if any, which arise will be subject to and governed by the procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with us to disclose his interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

Product Liability

The sale and use of our products entail risk of product liability. Although we have product liability insurance, there is no assurance that such insurance will be sufficient or will continue to be available on reasonable terms.

New and Emerging Markets

Many of the markets for our products are new and emerging. Our success will be significantly affected by the outcome of the development of these new markets.

Physical Facilities

We have facilities at several different locations, as well as component inventory, finished goods and capital assets at third-party manufacturing facilities. Tangible property at each location is subject to risk of fire, earthquake, flood and other natural acts of God. In the event of such events or acts, there could be delays in production and shipments of product due to both the loss of inventory and/or capacity to produce.

Legal Risks

In common with other companies, we are subject to legal risks related to operations, contracts, relationships and otherwise under which we may be served with legal claims. Whether or not the claims are legally valid, such claims may result in legal fees, damages, settlement costs and other costs as well as significant time and distraction of Management and employees. In addition, the outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Corporation and as a result, could have a material adverse effect on the Corporation's assets, liabilities, business, financial condition and results of operations.

Volatility of Market Price of Common Shares

The market price of our Common Shares may be volatile. This volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by us or by our competitors, along with a variety of additional factors, including, without limitation, those set forth in this "*Risk*

Factors" section or in the section titled "*Special Note Regarding Forward Looking Statements*".

Dilution

We may make future acquisitions or enter into financings or other transactions involving the issuance of Common Shares of the Corporation which may be dilutive to current and future holders of our Common Shares.

Forward Looking Information May Prove Inaccurate

Prospective investors are cautioned not to place undue reliance on forward looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on risks, assumptions and uncertainties are found in the section "*Special Note Regarding Forward Looking Statements*".

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, the Corporation may disclose confidential information relating to the business, operations or affairs of this Corporation. Although confidentiality agreements are signed by third parties prior to the disclosure of any confidential information, a breach could put the Corporation at competitive risk and may cause significant damage to its business. The harm to the Corporation's business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Corporation will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Income Taxes

The Corporation files all required income tax returns and believes that it is in full compliance with the provisions of the *Income Tax Act* (Canada) and all other applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Corporation, such reassessment may have an impact on current and future taxes payable.

Impairment of Goodwill

Goodwill accounts for a significant portion of our assets. In accordance with our review procedures and International Financial Reporting Standards ("**IFRS**"), the goodwill is tested for impairment on an annual basis. To the extent that the application of IFRS could require impairment of goodwill, there is a risk that such impairment could have a material adverse effect on our balance sheet and income statement.

Technology Failures or Cyber-Attacks

We rely on information technology systems to process, transmit and store electronic information. In addition, a significant portion of internal communications, as well as communication with customers and suppliers depends on information technology. Further, certain of our products depend upon GPS and other systems through which our products interact with government computer systems and other centralized information sources. We are exposed to the risk of cyber incidents in the normal course of business. Cyber incidents may be deliberate attacks for the theft of intellectual property or other sensitive information or may be the result of unintentional events. Like most companies, our information technology systems may be vulnerable to interruption due to a variety of events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Further, attacks on centralized information sources could affect the operation of our products or cause them to malfunction. Technology security initiatives and disaster recovery plans that are put in place to mitigate our risk to these vulnerabilities may not be adequate or implemented properly to ensure that our operations

are not disrupted. Potential consequences of a material cyber incident include damage to our reputation, litigation and increased cyber security protection and remediation costs. Such consequences could adversely affect our results of operations.

Possible Failure to Realize Anticipated Benefits of the Merger Transaction

Achieving the benefits of the Merger Transaction depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as AgJunction's ability to realize the anticipated growth opportunities and synergies from integrating Novariant into its existing business. The integration of Novariant may require the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The ongoing integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect AgJunction's ability to achieve the anticipated benefits of the Merger Transaction.

Growth Management

The Corporation may be subject to growth related risks including pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this potential growth may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

We are not aware of any proceeding that involves a claim for damages, exclusive of interest and costs, of more than ten percent of our current assets. We are not aware of any (i) penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority in the year ended December 31, 2015; (ii) any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Corporation entered into before a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2015.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under our equity compensation plans, as applicable, is contained in our information circular for the most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in our financial statements and management discussion and analysis for the year ended December 31, 2015, which are available on SEDAR at www.sedar.com and are set forth in our 2015 Annual Report. Documents affecting the rights of security holders, along with additional information relating to us, may also be found on SEDAR at www.sedar.com.

APPENDIX "A"

Audit Committee Terms of Reference

1. **Establishment of Audit Committee:** The board of directors (the "**Board**") hereby establish a committee to be called the Audit Committee (the "**Committee**").
2. **Membership:** The Committee shall be composed of three members or such greater number as the Board may from time to time determine, all of whom shall be "independent", as such term is defined in Multilateral Instrument 52-110, "Audit Committees" ("**MI 52-110**"). Members shall be appointed periodically from among the "independent" members of the Board. All members of the Committee shall be financially literate, being defined under MI 52-110 and herein as having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the Corporation's financial statements.
3. **Mandate:** The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities.

Audit Committee Purpose

Through discussion with management and the external auditors of the Corporation, the Audit Committee will be responsible to:

- Monitor the management of the principal risks that could impact the financial reporting of the Company;
- Monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- Oversee and monitor the independence and performance of the Company's external auditors;
- Provide an avenue of communication among the external auditors, management and the Board of Directors, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- Encourage adherence to, and continuous improvement of, the Company's policies, procedures, and practices at all levels;
- Monitor compliance with legal and regulatory requirements; and
- Ensure that effective procedures are in place for the anonymous submission, receipt, retention and treatment of complaints and concerns regarding accounting, internal control and auditing matters.

Audit Committee Duties and Responsibilities

Primarily through review and discussion with management and the external auditors, the Audit Committee is responsible to:

Review Procedures

- (a) Review periodically the Committee's Terms of Reference;
- (b) Review the Company's annual audited financial statements and related documents, including the press release and MD&A, prior to filing or distribution. Review should include discussion with

management and external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments;

- (c) Following completion of the annual audit, review separately with each of management and the independent auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (d) Review any significant disagreements among management and the independent auditors in connection with the preparation of the financial statements;
- (e) Periodically, in consultation with management and external auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures;
- (f) Review risk management policies and procedures of the Company (i.e., litigation and insurance);
- (g) Periodically review and assess the adequacy of the procedures that are in place for the review of the Company's public disclosure of financial information extracted from or derived from the Company's financial statements;
- (h) Review significant findings prepared by the external auditors together with management's responses;
- (i) Review the principal risks affecting financial reporting;
- (j) Review with financial management and the external auditors, and approve, the company's quarterly financial results and related documents, including the quarterly press releases and MD&A, prior to the public release. By approval of these Terms of Reference for the Audit Committee, the Board delegates the authority to approve these documents on behalf of the Board;
- (k) Discuss any significant changes to the Company's accounting principles prior to their adoption. The Chair of the Committee may represent the entire Audit Committee for purposes of this review;

External Auditors

- (l) The external auditors are ultimately accountable to the Audit Committee and the Board of Directors, as representatives of the shareholders. The Audit Committee shall review the independence and

performance of the auditors and annually recommend to the Board of Directors the appointment of the external auditors or approve any discharge of auditors when circumstances warrant;

- (m) Approve the fees and other significant compensation to be paid to the external auditors;
- (n) On an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Company that could impair the auditors' independence;
- (o) Review the external auditors' audit plan - discuss and approve audit scope, staffing, locations, reliance upon management, and general audit approach;
- (p) Prior to releasing the year-end financial results, discuss the results of the audit with the external auditors. Discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;
- (q) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting;
- (r) Approve all non-audit services to be provided to the Corporation by the external auditors' firm, prior to such services being performed, except that by approval of these terms of reference, the Audit Committee hereby approves the following non-audit services to be provided by the external auditors:
 - (i) Tax services connected with the preparation of the Corporation's tax returns, or the tax returns of any of its subsidiaries; and
 - (ii) Due diligence and tax services connected with any mergers, acquisitions or dispositions being considered by the Corporation;
- (s) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present or former auditors;
- (t) When there is to be a change in external auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;

Legal Compliance

- (u) On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies; and

Other Audit Committee Responsibilities

- (v) Periodically assess the effectiveness of the committee against its terms of reference and report the results of the assessment to the Board.

4. **Administrative Matters:** The following general provisions shall have application to the Committee:

- (a) The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties;
- (b) Two members of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by

a resolution in writing signed by all the members of the Committee. Meetings may occur via telephone or teleconference;

- (c) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its independent members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains;
- (d) The Committee shall meet at least four times per year and/or as deemed appropriate by the Chair;
- (e) If deemed necessary by the Chair, agendas shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings;
- (f) Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chief Executive Officer by the Board Chair;
- (g) The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee;
- (h) The time at which and place where the meetings of the Committee shall be held and the calling of meetings and the procedure in all respects at such meetings shall be determined by the Committee, unless otherwise determined by the by-laws of the Corporation or by resolution of the Board;
- (i) Unless otherwise designated by the Board, the members of the Committee shall elect a Chairman from among the members and the Chairman shall preside at all meetings of the Committee. The Chairman of the Committee shall have a second and deciding vote in the event of a tie. In the absence of the Chairman, the members of the Committee shall appoint one of their members to act as Chairman;
- (j) Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.