

BY-LAW NO. 1

A by-law relating generally to the regulation of the business and affairs of

MAGNET FORENSICS INC.

(the “Corporation”)

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SECTION 1 GENERAL

1.1 Interpretation

Unless otherwise defined herein or the context otherwise requires, expressions used in this by-law shall have the same meanings as corresponding expressions in the *Business Corporations Act* (Ontario) or any statute that may be substituted therefor (as from time to time amended, the “**Act**”).

1.2 Corporate Seal

The directors may, but need not, adopt a corporate seal, and, if one is adopted, it may be changed from time to time by the directors.

1.3 Financial Year

The financial year of the Corporation shall end on such date in each year as shall be determined from time to time by resolution of directors.

1.4 Effective Date

This by-law shall come into force when made by the directors in accordance with the Act.

1.5 Repeal

All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. Such repeal shall not affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles or predecessor charter documents of the Corporation obtained pursuant to, any such by-laws prior to its repeal. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the Board of directors of the Corporation (the “**Board**”) or a committee of the Board with continuing effect passed under any repealed by-law shall continue in full force and effect except to the extent inconsistent with this by-law and until amended or repealed.

1.6 Banking Arrangements

The banking business of the Corporation, or any part thereof, including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies, credit unions or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time by resolution prescribe or authorize.

SECTION 2 BORROWING AND SECURITY

2.1 Borrowing Power

(1) Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles of the Corporation, the Board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other debt obligations or guarantees of the Corporation, whether secured or unsecured;
- (c) give, directly or indirectly, financial assistance to any person by means of a loan, a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person, or otherwise; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation, including, without limitation, accounts, rights, powers, franchises and undertakings to secure any such bonds, debentures, notes or other debt obligations or guarantees or any other present or future indebtedness, liability or obligation of the Corporation.

(2) Nothing in Section 2.1(1) limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

2.2 Delegation

Subject to the Act and the articles of the Corporation, the Board may from time to time delegate to a committee of the Board, a director or an officer of the Corporation or any other person as may be designated by the Board all or any of the powers conferred on the Board by Section 2.1 or by the Act to such extent and in such manner as the Board may determine at the time of such delegation.

SECTION 3 DIRECTORS

3.1 Number

Until changed in accordance with the Act, the number of directors shall be not fewer than the minimum number and not more than the maximum number of directors provided for in the articles.

3.2 Action by the Board

The Board shall manage and supervise the management of the business and affairs of the corporation. The powers of the Board may be exercised at a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the directors. Where there is a vacancy on the Board, the remaining directors may exercise all the powers of the Board so long as quorum remains in office.

3.3 Quorum

A quorum for the transaction of business at any meeting of directors shall be a majority of the number of directors or such greater number of directors as the Board may from time to time determine, subject to the provisions of the Act.

3.4 Election and Term

The election of directors shall take place at each annual meeting of shareholders. A director not elected for an expressly stated term shall cease to hold office at the close of the first annual meeting following election or appointment. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

3.5 Ceasing to Hold Office

A director ceases to hold office when:

- (a) such person dies;
- (b) such person is removed from office by the shareholders in accordance with the Act;
- (c) such person ceases to be qualified for election as a director; or
- (d) such person's written resignation is received by the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later.

3.6 Calling of Meetings

Meetings of the directors shall be held at such time and place (whether within or outside of Canada) as the chair of the Board, the chief executive officer or any two directors may determine by giving notice in accordance with Section 3.7.

3.7 Notice of Meetings

Unless notice is waived in accordance with the Act, notice of the time and place of each meeting of directors must be given in the manner to each director by telephone, e-mail or prepaid mail not less than 48 hours' before the time of the meeting, including, for greater certainty, the day on which the notice is given, provided that the first meeting immediately following a meeting of shareholders at which directors are elected may be held without notice if a quorum is present. A notice of a meeting of directors need not specify the purposes of or the business to be transacted at the meeting except where the Act requires such purpose or business or the general nature thereof to be specified. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person, or any error in any notice not affecting the substance of the notice, does not invalidate any resolution passed or any action taken at the meeting. Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

3.8 Waiver of Notice

A director may in any manner or at any time waive notice of or otherwise consent to a meeting of the Board. Attendance of a director at a meeting of the Board shall constitute a waiver of notice of that meeting except where a director attends for the express purpose of objecting to the transaction of any business on the grounds that the meeting has not been properly called. Waiver of any notice of a meeting of directors cures any irregularity in the notice, any default in the giving of the notice and any default in the timeliness of the notice.

3.9 Meeting by Telephone or Electronic Facility

If all the directors present at or participating in the meeting consent, a meeting of directors or of a committee of directors may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present at that meeting.

3.10 Chair and Secretary

The chair of any meeting of directors shall be the chair, or in his or her absence, the chief executive officer if a director, or in his or her absence or if the chief executive officer is not a director, a director chosen by the directors at the meeting. The secretary of the Corporation shall act as secretary of any meeting of directors and, if the secretary is absent, the chair of the meeting may appoint a person who need not be a director to act as secretary of the meeting.

3.11 Voting at Meetings

At meetings of directors, each director shall have one vote and questions shall be decided by a majority of votes; and in the case of an equality of votes, the chair of the meeting will not be entitled a second or casting vote. Unless a ballot is demanded, an entry in the minutes of a meeting to the effect that the chairperson of the meeting declared a resolution to be carried or defended is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour for or against the resolution.

3.12 Resolution in Lieu of Meeting

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors, is as valid as if it had been passed at a meeting of directors.

3.13 Remuneration and Expenses

Directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of directors, committee meetings and shareholders meetings and in the performance of other duties of directors of the Corporation. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

3.14 Vacancies

Subject to the Act, a quorum of directors may appoint a qualified individual to fill a vacancy in the board of directors.

3.15 Committees

The directors may appoint from their number one or more committees and delegate to such committees any of the powers of the directors except those powers that, under the Act, a committee of the Board has no authority to exercise. Unless otherwise determined by the directors, subject to the Act, each committee of directors shall have the power to fix its quorum and to regulate its procedures.

Meetings of committees of the Board may be held at any place in or outside Canada. At all meetings of committees of the Board, every question shall be decided by a majority of the votes cast on the question. Unless otherwise determined by the directors, each committee of the Board may make, amend or repeal rules and procedures to regulate its meetings including: (i) fixing its quorum, provided that quorum may not be less than a majority of its members; (ii) procedures for calling meetings; (iii) requirements for providing notice of meetings; and (iv) selecting a chairperson for a meeting. Subject to a committee establishing rules and procedures to regulate its meetings, the other sections of this Section 3 shall apply to meetings of any committee, with such changes as are necessary.

SECTION 4 OFFICERS

4.1 General

The directors may from time to time designate the officers of the Corporation and appoint a chair of the Board, a chief executive officer, a chief technology officer, a chief financial officer, a chief operating officer, a chief strategy officer, a corporate secretary, one or more vice-presidents and such other officers as the directors may determine from time to time, including, without limitation, one or more assistants to any of the officers so appointed. One person may hold more than one office. The directors may specify the duties of and, in accordance with these by-laws and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation.

4.2 Chair of the Board

The chair of the Board, if any, shall be appointed from among the directors, shall, when present, be chair of the meetings of directors and shareholders and shall have such other powers and duties as the directors may determine from time to time.

4.3 Chief Executive Officer

Unless the directors otherwise determine, the chief executive officer of the Corporation shall be appointed by the directors and shall have general management of the Corporation's business and affairs.

4.4 Powers and Duties of Officers

The powers and duties of all officers shall be such as the terms of their engagement call for or as the Board or (except for those whose powers and duties are to be specified only by the Board) the chief executive officer may specify. The Board and (except as aforesaid) the chief executive officer may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the chief executive officer otherwise directs.

4.5 Term of Office

Each officer shall hold office until his or her successor is appointed or until such person's earlier resignation, provided that the directors may at any time remove any officer from office but such removal shall not affect the rights of such officer under any contract of employment with the Corporation.

4.6 Agents and Attorneys

The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including, without limitation, the power to sub-delegate) of management, administration or otherwise as may be thought fit.

SECTION 5 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

5.1 Limitation of Liability

No director or officer of the Corporation shall be liable for the acts, omissions, failures, neglects or defaults of any other director, officer, employee or agent of the Corporation, or for any loss, damages, costs, charges or expenses of the Corporation resulting from any insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss, damages, costs, charges or expenses arising from bankruptcy or insolvency, or in respect of any tortious acts of or relating to the Corporation or any other director, officer, employee or agent of the Corporation, or for any loss, damages, costs, charges or expenses occasioned by an error of judgment or oversight on the part of any other director, officer, employee or agent of the Corporation, or for any other loss, damages, costs, charges or expenses of the Corporation occurring in connection with the execution of the duties of the director or officer, unless such loss, damages, costs, charges or expenses are incurred as a result of such person's own wilful neglect, default or negligence. Nothing in this by-law, however, shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach of the Act.

5.2 Indemnification of directors and officers

Subject to the Act, the Corporation shall indemnify any individual who is or was a director or officer of the Corporation and any individual who acts or acted at the Corporation's request as a director or officer (or any individual acting in a similar capacity) of another entity, and their heirs and legal representatives, in each case, to the full extent permitted by applicable law, against all costs, charges and expenses, including, without limitation, an amount paid to settle an action or satisfy a judgment, reasonably incurred by any such individual in respect of any civil, criminal, administrative, investigative or other proceeding in which such individual is involved because of that association with the Corporation or other entity, if such individual (i) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which such individual acted as a director or officer (or in a similar capacity) at the Corporation's request; and (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that such individual's conduct was lawful. The Corporation shall advance monies to a director, officer or other individual for the costs, charges, and expenses of a proceeding referred to in this Section 5.2; provided that, the individual shall repay the monies if such individual does not fulfil the conditions contained in the foregoing sentence.

5.3 Right of indemnity not exclusive

The Corporation shall also indemnify any individuals referred to in Section 5.2 in such other circumstances as the Act or law permits or requires. The provisions for indemnification contained in the by-laws of the Corporation will not be deemed exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors or otherwise, both as to action in his or her official capacity and as to action in another capacity, and will continue as to a person who has ceased to be a director, officer, employee or agent and will inure to the benefit of that person's heirs and legal representatives.

5.4 Insurance

Subject to the Act, the Corporation shall purchase and maintain insurance for the benefit of any individual referred to in Section 5.2 against such liability and in such amounts as the directors may from time to time determine.

SECTION 6 SHAREHOLDERS

6.1 Annual Meetings

The annual meeting of shareholders shall be held at such time in each year and, subject to Section 6.3, at such place as the Board may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, the appointment of auditors and for the transaction of such other business as may properly be brought before the meeting.

6.2 Special Meetings

The Board shall have power to call a special meeting of shareholders at any time.

6.3 Meetings by Electronic Means

A meeting of the shareholders may be held by telephonic or electronic means and a shareholder who, through those means, votes at the meeting or establishes a communications link to the meeting shall be deemed for the purposes of the Act to be present at the meeting.

6.4 Place of Meetings

Meetings of shareholders shall be held at such place in or outside Ontario as the Board may determine. A meeting held under Section 6.3 shall be deemed to be held at the place where the registered office of the Corporation is located.

6.5 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Section 11, if the Corporation is at such time a distributing corporation (as defined in the Act), not less than 21 days and, if the Corporation is not at such time a distributing corporation (as defined in the Act), not less than 10 days, but in either case, not more than 60 days before the date of the meeting to each director, to any auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to receive notice of or vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the minutes of an earlier meeting, financial statements and auditor's report, election of directors and reappointment of the incumbent auditor or fixing or authorizing the directors to fix the remuneration payable to such auditor shall state or be accompanied by a statement of the nature of the business in sufficient detail to permit the shareholders to form a reasoned judgment on it, and the text of any special resolution to be submitted to the meeting.

6.6 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to Section 6.7, the shareholders listed shall be those registered at the close of business on that record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting

is given or, where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared. Where a separate list of shareholders has not been prepared, the names of persons appearing in the securities register at the requisite time as the holder of one or more shares carrying the right to vote at such a meeting shall be deemed to be a list of shareholders.

6.7 Record Date for Notice

The Board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 21 days, as a record date for the determination of the shareholders entitled to notice of the meeting, and notice of any such record date shall be given not less than seven days before the record date, by advertisement in a newspaper published or distributed in the place where the Corporation has its registered office and in each place in Canada where it has a transfer agent or where a transfer of the Corporation's shares may be recorded, and, where applicable, by written notice to each stock exchange in Canada on which the Corporation's shares are listed for trading unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register of the Corporation at the close of business on the day the directors fix the record date. If no such record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, shall be the day on which the meeting is held.

6.8 Waiver of Notice

A shareholder, a proxyholder, a director or the auditor and any other person entitled to attend a meeting of shareholders may waive notice of a meeting of shareholders, any irregularity in a notice of meeting of shareholders or any irregularity in a meeting of shareholders. Such waiver may be waived in any manner and may be given at any time either before or after the meeting to which the waiver relates. Waiver of any notice of a meeting of shareholders cures any irregularity in the notice, any default in the giving of the notice and any default in the timeliness of the notice.

6.9 Meetings Without Notice

(1) A meeting of shareholders may be held without notice at any time and place permitted by the Act if:

- (a) all the shareholders entitled to vote at the meeting are present in person or duly represented or if those not present or represented waive notice of or otherwise consent to the meeting being held; and
- (b) the auditor and the directors are present or waive notice of or otherwise consent to the meeting being held,

so long as the shareholders, auditor or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

(2) At a meeting held under Section 6.9(1), any business may be transacted which the Corporation may transact at a meeting of shareholders.

6.10 Quorum

A quorum of shareholders is present at a meeting of shareholders irrespective of the number of persons actually present at the meeting, if at least two shareholders representing not less than 25% of the voting rights attaching to the outstanding shares of the Corporation entitled to vote at the meeting are present in person or represented by proxy. A quorum need not be present throughout the meeting provided that a quorum is present at the opening of the meeting. If a quorum is not present at the time appointed for the meeting or within a reasonable time after that the shareholders may determine, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

6.11 Persons Entitled to be Present

The only persons entitled to be present at a meeting of the shareholders shall be those entitled to attend or vote at the meeting, the directors, officers, auditor, legal counsel of the Corporation and others who, although not entitled to attend or vote, are entitled or required under any provision of the Act, the Articles and the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

6.12 Chair

The chair of any meeting of shareholders shall be the chair of the Board, or in his or her absence, the chief executive officer, or in his or her absence, an officer present at the meeting, or in their absence, any person chosen by those present and entitled to vote at the meeting.

6.13 Right to Vote

Every person named in the list referred to in Section 6.6 shall be entitled to vote the shares shown on the list opposite such person's name at the meeting to which the list relates.

6.14 Proxyholders and Representatives

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, as such person's nominee to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing or electronic signature executed by the shareholder or such person's attorney and shall conform with the requirements of the Act and other applicable law and will be in such form as the directors may approve from time to time or such other form as may be acceptable to the chair of the meeting at which the instrument of proxy is to be used. Alternatively, every shareholder which is a body corporate or other legal entity may authorize by resolution of its directors or governing body an individual to represent it at a meeting of shareholders and that individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of the resolution, or a certified copy of an extract from the by-laws of the body corporate or association, authorizing the representative to represent the body corporate or other legal entity, or in such other manner as may be satisfactory to the secretary or the chair of the meeting. Any such proxyholder or representative need not be a shareholder. The proxy is valid only at the meeting in respect of which it is given or any adjournment thereof.

6.15 Time for Deposit of Proxies

The Board may fix a time not exceeding 48 hours, excluding non-business days, preceding any meeting or adjourned meeting of shareholders before which time proxies to be used at the meeting must be deposited with the Corporation or its agent, and any time so fixed shall be specified in the notice calling the meeting. A proxy shall be acted on only if, before the time so specified, it has been deposited with the Corporation or its agent specified in the notice or if no such time having been specified in the notice, it has been received by the secretary or by the chair of the meeting before the time of voting.

6.16 Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or duly represented at a meeting of shareholders may, in the absence of the other or others, vote the shares, but, if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.

6.17 Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the articles, the by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote in addition to the vote or votes to which the chair is entitled as a shareholder or proxy nominee.

6.18 Procedure

The chair of a meeting of shareholders will conduct the meeting and determine the procedure to be followed at the meeting. The chair's decision on all matters or things, including any questions regarding the validity or invalidity of a form of proxy or other instrument appointing a proxy, shall be conclusive and binding upon the meeting of shareholders.

6.19 Show of Hands

Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot is required or demanded as provided. On a show of hands, every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands has been taken on a question, unless a ballot is demanded, an entry in the minutes of a meeting of shareholders to the effect that the chair declared a resolution to be carried or defeated is, in the absence of proof to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

6.20 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken on it, the chair may require a ballot or any person who is present and entitled to vote on the question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time before the taking of the ballot. If a ballot is taken, each person present shall be entitled, in respect of the shares which such person is entitled to vote at

the meeting on the question, to that number of votes provided by the Act or the Articles, and the result of the ballot so taken shall be the decision of the shareholders on the question.

6.21 Adjournment

The chair at a meeting of shareholders may, with the consent of the meeting, adjourn the meeting from time to time and place to place. Notice of such adjourned meeting will be provided in accordance with the Act.

6.22 Postponement

A meeting of shareholders may be postponed or cancelled by the Board at any time prior to the date of the meeting.

6.23 Meeting by Telephonic or Electronic Facility

The directors or shareholders who call a meeting of shareholders may determine that the meeting be held, in accordance with the regulations, if any, entirely by telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate adequately and makes provision for electronic voting at such meeting in accordance with the Act. A shareholder who, through those means, votes at a meeting or establishes a communications link to a meeting shall be deemed to be present at that meeting.

6.24 Scrutineers

The chair at any meeting of shareholders may appoint one or more persons (who need not be shareholders) to act as scrutineer or scrutineers at the meeting.

SECTION 7 ADVANCE NOTICE PROVISIONS

7.1 Nomination of Directors

Subject only to the Act and Section 7.6, and for so long as the Corporation is a distributing corporation (as defined in the Act), only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (c) by any person (a “**Nominating Shareholder**”):
 - (i) who, at the close of business in Toronto, Ontario on the date of the giving of the notice provided for below in this Section 7 and at the close of business in Toronto, Ontario on the record date for notice of such meeting of shareholders, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - (ii) who complies with the notice procedures set forth below in this Section 7.

7.2 Timely Notice

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof (in accordance with Section 7.3 below) in proper written form to the Board (in accordance with Section 7.4 below).

7.3 Manner of Timely Notice

To be timely, a Nominating Shareholder’s notice to the Board must be made:

- (a) in the case of an annual meeting of shareholders (which includes an annual and special meeting), not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that (i) the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the meeting was made, notice by the Nominating Shareholder may be made not later than the close of business in Toronto, Ontario on the tenth (10th) day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for

other purposes as well), not later than the close of business in Toronto, Ontario on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made;

provided that, in either instance, if the Corporation uses “notice-and-access” (as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in connection with a meeting of the shareholders described in 7.3(a) or 7.3(b) above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not less than 40 days prior to the date of the applicable meeting.

7.4 Proper Form of Timely Notice

To be in proper written form, a Nominating Shareholder’s notice to the Board must set forth the following information:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (each, a “**Proposed Nominee**”):
 - (i) the name, age, business address and residential address of the person;
 - (ii) the principal occupation or employment of the person for the past five years;
 - (iii) the status of such person as a “resident Canadian” (as such term is defined in the Act);
 - (iv) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (v) any derivatives or other economic or voting interests in the Corporation and any hedges implemented with respect to the Nominating Shareholders’ interests in the Corporation;
 - (vi) any proxy, contract, arrangement, understanding or relationship pursuant to which the Nominating Shareholder has a right to vote any shares of the Corporation; and
 - (vii) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and
- (b) as to the Nominating Shareholder proposing a nomination and giving the notice:
 - (i) the name, age, business address and residential address of the person;

- (ii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
- (iii) any derivatives or other economic or voting interests in the Corporation and any hedges implemented with respect to the Nominating Shareholders' interests in the Corporation;
- (iv) any proxy, contract, arrangement, understanding or relationship pursuant to which the Nominating Shareholder has a right to vote any shares of the Corporation;
- (v) whether the Nominating Shareholder intends to deliver a proxy circular and form of proxy to any shareholders of the Corporation in connection with the election of directors; and
- (vi) any other information relating to the Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

The Corporation may require that any Proposed Nominee furnish such other information as may be required to be contained in a dissident proxy circular or by applicable law or regulation to determine the independence of the Proposed Nominee or the eligibility of such Proposed Nominee to serve as a director of the Corporation or a member of any committee of the Board. Such information, if received, will generally be summarized in the Corporation's information circular.

All information to be provided in a timely notice pursuant to Section 7.4 above shall be provided as of the record date for determining shareholders entitled to vote at the meeting (if such date shall then have been publicly announced) and as of the date of such notice. The Nominating Shareholder shall update such information forthwith if there are any material changes in the information previously disclosed.

7.5 Determination of Eligibility

Subject to Section 7.6, no person shall be eligible for election as a director of the Corporation unless such person has been nominated in accordance with the provisions of this Section 7; provided, however, that nothing in this Section 7 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the Act. The chair of the applicable meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

7.6 Waiver

Notwithstanding the foregoing, the Board may, in its sole discretion, waive all or any of the requirements in this Section 7.

7.7 Terms

For the purposes of this Section 7:

“Applicable Securities Laws” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada;

“public announcement” means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

“Representatives” of a person means the affiliates and associates of such person, all persons acting jointly or in concert with any of the foregoing, and the affiliates and associates of any of such persons acting jointly or in concert, and **“Representative”** means any one of them.

SECTION 8 SECURITIES

8.1 Options or Rights

Subject to the Act and the Articles, the Board may from time to time issue, allot or grant options or other rights to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine, except that no share shall be issued until it is fully paid as provided by the Act.

8.2 Commissions

The Board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of such person's purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.3 Securities Register

The Corporation shall prepare and maintain, at its registered office or, subject to the Act, at any other place designated by the Board, a securities register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities:

- (a) the names, alphabetically arranged, of each person who:
 - (i) is or has been registered as a shareholder of the Corporation, the latest known address including, without limitation, the street and number, if any, of every such person while a holder, and the number and class of shares registered in the name of such holder; or
 - (ii) is or has been registered as a holder of debt obligations of the Corporation, the latest known address including, without limitation, the street and number, if any, of every such person while a holder, and the class or series and principal amount of the debt obligations registered in the name of such holder; and
- (b) the date and particulars of the issue and transfer of each security.

8.4 Registration of Transfers

Subject to the Act, no transfer of a share shall be registered in a securities register except upon compliance with the reasonable requirements of the Corporation and its transfer agents and with such restrictions on issue, transfer or ownership as are authorized by the articles.

8.5 Transfer Agents and Registrars

The Board may from time to time, in respect of each class of securities issued by it, appoint one or more trustees, transfer or other agents to keep the securities register and a registrar, trustee or agent to maintain a central securities register of issued security certificates and may appoint one or more persons or agents to keep branch registers, and, subject to the Act, one person may be appointed to keep the securities register and the records of issued security certificates. Such

a person may be designated as transfer agent or registrar according to its functions, and one person may be designated both registrar and transfer agent. The Board may at any time terminate such appointment.

8.6 Non-recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any security as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payments in respect of the security, and otherwise to exercise all the rights and powers of an owner of the security.

8.7 Certificated and Uncertificated Form

A security issued by a corporation may be represented by a security certificate or may be an uncertificated security. Unless otherwise provided by the articles, the directors of the Corporation that any and all classes and series of its shares or other securities shall be uncertificated securities, provided that such resolution shall not apply to securities represented by a certificate until such certificate is surrendered to the Corporation. If certificated, then such certificate shall state the number and class or series of securities held by such holder as shown on the securities register. Such certificates shall be in such form as the board may from time to time approve and need not be under the corporate seal. Unless otherwise ordered by the Board, any such certificate shall be signed by at least one of the following persons, or the signature shall be printed or otherwise mechanically reproduced on the certificate:

- (a) a director or officer of the Corporation;
- (b) a registrar, transfer agent or branch transfer agent of the Corporation, or an individual on their behalf; and
- (c) a trustee who certifies it in accordance with a trust indenture.

Unless the Board otherwise determines, certificates in respect of which a transfer agent or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent or registrar. Signatures of signing officers may be printed or mechanically reproduced in facsimile upon security certificates and every such facsimile shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A security certificate executed as aforesaid shall be valid notwithstanding that the person has ceased to be a director or an officer of the Corporation.

8.8 Replacement of Security Certificates

The Board may in its discretion (or any officer or agent designated by the Board may in such person's discretion) direct the issue of a new share or other such certificate in lieu of and on cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, apparently destroyed or wrongfully taken, on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

8.9 Joint Holders

If two or more persons are registered as joint holders of any security, the Corporation shall not be bound to issue more than one certificate in respect of that security, and delivery of such certificate to one of those persons shall be sufficient delivery to all of them. Any one of those persons may give effectual receipts for the certificate issued in respect of it or for any dividend, interest, bonus, return of capital or other money payable or warrant issuable in respect of that security.

8.10 Deceased Holders

In the event of the death of a holder, or of one of the joint holders of any security, the Corporation shall not be required to make any entry in the securities register in respect of the death or to make any dividend, interest or other payments in respect of the security except on production of all such documents as may be required by law.

SECTION 9 DIVIDENDS AND RIGHTS

9.1 Declaration of Dividends

Subject to the Act, the directors may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation.

9.2 Wire Transfers or Cheques

Unless the Board otherwise determines, a dividend payable in money shall be paid, at the Corporation's option, by (a) wire transfer, or (b) cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared, and (i) sent, if by wire transfer, to such registered holder as per the wire instructions provided by such holder in the Corporation's securities register, or (ii) mailed by prepaid ordinary mail, if by cheque, to such registered holder at the address of such holder in the Corporation's securities register, unless such holder otherwise directs. In the case of joint holders, the wire transfer or cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and transferred to them as per the wire instructions, or mailed to them at their address, in the Corporation's securities register. The issuance of the wire transfer or the mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.3 Non-Receipt of Wire Transfers or Cheques

In the event of non-receipt of any dividend wire transfer or cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a wire transfer or a cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the directors may from time to time prescribe, whether generally or in any particular case.

9.4 Unclaimed Dividends

To the extent permitted by applicable law, any dividends unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION 10 EXECUTION OF INSTRUMENTS

10.1 Execution of Instruments

(1) Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation, (i) by any director or officer of the Corporation (unless otherwise determined by the Board) or (ii) by any other person or persons authorized by the Board from time to time (each person referred to in (i) and (ii) is an “**Authorized Signatory**”). Voting rights for securities held by the Corporation may be exercised on behalf of the Corporation by any one Authorized Signatory.

(2) The secretary, or any other officer or any director, may sign certificates and similar instruments (other than share certificates) on the Corporation’s behalf with respect to any factual matters relating to the Corporation’s business and affairs, including, without limitation, certificates verifying copies of the Articles, by-laws, resolutions and minutes of meetings of the Corporation. Any signing officer may affix the corporate seal to any instrument requiring the same.

(3) The signature of any person authorized to sign on behalf of the Corporation may be written, printed, engraved, lithographed or otherwise mechanically reproduced or, if permitted by law, may be an electronic signature. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by the resolution of the directors.

SECTION 11 NOTICE

11.1 General

A notice mailed to a shareholder, director, auditor or member of a committee shall be deemed to have been received if given if (i) delivered personally to the person to whom it is to be given; (ii) delivered to such person's recorded address; (iii) if sent by prepaid mail to such person at the person's recorded address; or (iv) otherwise communicated to such person by electronic means as permitted by the Act. The foregoing may not be construed so as to limit the manner or effect of giving notice by any other means of communication otherwise permitted by law. A notice so delivered will be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been sent when deposited in a post office or public letter box and shall be deemed to have been received on the fifth day after so depositing; and a notice so sent by any electronic means will be deemed to have been given at the time specified under the Act. The secretary may change or cause to be changed the recorded address, including any address to which electronic communications of any kind may be sent, of any shareholder, director, officer or auditor in accordance with any information believed by the secretary to be reliable. The recorded address of a director shall be the latest address as shown in the records of the Corporation or in the most recent notice filed under the *Corporations Information Act* (Ontario), whichever is the more current.

11.2 Joint Holders

If two or more persons are registered as joint holders of any security, any notice may be addressed to all such joint holders but notice addressed to one of them constitutes sufficient notice to all of them.

11.3 Electronic Delivery

A requirement under these by-laws that a notice, document or other information be provided in writing may be satisfied by providing an electronic document and a requirement under these by-laws for a signature or that a document be executed, in relation to an electronic document, may be satisfied, in each case, if the applicable requirements in the Act in respect thereof are met.

11.4 Computation of Time

Except as otherwise provided, in computing the date when notice must be given under any provision of the articles or the by-laws requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

11.5 Omissions and Errors

Accidental omission to give any notice to any shareholder, director, auditor or member of a committee or non-receipt of any notice or any error in a notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice.

11.6 Undelivered Notices

If any notice given to a shareholder pursuant to Section 11.1 is returned on two consecutive occasions because such shareholder cannot be found, the Corporation shall not be required to give any further notices to that shareholder until such person informs the Corporation in writing of such person's new address.

11.7 Waiver of Notices

Any shareholder, proxyholder or other person entitled to notice of or attend a meeting of shareholders, director, officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to such person under the Act, the regulations, the Articles, the by-laws or otherwise, and that waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of the notice, as the case may be. Any such waiver or abridgement shall be in writing, except a waiver of notice of a meeting of shareholders or of the Board or a committee of the Board, which may be given in any manner.

**SECTION 12
FORUM SELECTION**

12.1 Forum of Adjudication of Certain Disputes

Unless the Corporation consents in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario, Canada and the appellate courts therefrom (or, failing such court, any other “court” (as defined in the Act) having jurisdiction and the appellate Courts therefrom), shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Corporation to the Corporation; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the Act or the articles or the by-laws of the Corporation (as either may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the “affairs” (as defined in the Act) of the Corporation. If any action or proceeding the subject matter of which is within the scope of the preceding sentence is filed in a Court other than a Court located within the Province of Ontario (a “**Foreign Action**”) in the name of any security holder, such security holder shall be deemed to have consented to (a) the personal jurisdiction of the provincial and federal Courts located within the Province of Ontario in connection with any action or proceeding brought in any such Court to enforce the preceding sentence and (b) having service of process made upon such security holder in any such action or proceeding by service upon such security holder’s counsel in the Foreign Action as agent for such security holder.

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DATED the 3rd day of May, 2021.

MAGNET FORENSICS INC

(Signed) "*Jim Balsillie*"

Name: Jim Balsillie
Title: Chair of the Board