EXCO TECHNOLOGIES LIMITED
MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular is furnished in connection with the solicitation by the management of Exco Technologies Limited (the "Corporation") of proxies to be used at the annual meeting of shareholders of the Corporation to be held on Wednesday, February 1st, 2017, at 4:30 p.m. (the "Meeting"), and at all adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting. It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally or by telephone by regular employees of the Corporation. The shareholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address, and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. The cost of solicitation of proxies will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy are directors of the Corporation. **A shareholder has the right to appoint a person to represent such shareholder at the Meeting other than the persons designated in the accompanying form of proxy.** Such right may be exercised by inserting in the space provided the name of the other person the shareholder wishes to appoint. Such other person need not be a shareholder of the Corporation.

To be valid, proxies must be deposited with the Corporation's registrar and transfer agent, TSX Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, not later than 4:30 p.m. (Toronto time) on January 30, 2017, or with the Chair of the Meeting prior to the commencement of the Meeting.

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so (1) by completing and signing a proxy bearing a later date and depositing it as described above; (2) by depositing an instrument signed (in writing or by electronic signature) by such shareholder or by such shareholder's attorney authorized in writing at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chair of the Meeting at the Meeting, or (3) in any other manner permitted by law.

VOTING OF PROXIES

The shares represented by the accompanying form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. If no specification has been made with respect to any such matter, such shares will be voted by the management representatives for the election of directors, for the appointment of the auditor and the determination of its remuneration, each as described in this information circular.

The accompanying form of proxy confers discretionary authority upon the management representatives named therein with respect to amendments or variations to matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. At the date of this information circular, the management of the Corporation knows of no such amendments, variations or other matters. If matters which are not known at the date hereof should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the person voting it.

REGISTERED SHAREHOLDERS

You are a registered shareholder if your shares are held in your name and you have a share certificate. Registered shareholders may vote their shares by one of the following methods:

(a) You may vote by proxy by completing, dating and signing the enclosed form of proxy and sending it by mail or delivery it to TSX Trust Company, Proxy Department, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 to be received by no later than 4:30 p.m. (Toronto time) on January 30, 2017 or, if the Meeting is adjourned, by 4:30 p.m. (Toronto time) on the second last business day preceding the date of the adjourned Meeting at which the proxy is to be used.

(b) If you plan to attend the Meeting and vote your shares in person, you do not need to complete and return the form of proxy. Your vote will be recorded and counted at the Meeting. Please register with a representative of TSX Trust Company upon arrival at the Meeting.

NON-REGISTERED SHAREHOLDERS

Many of the Corporation's shareholders are non-registered shareholders, also known as "beneficial" shareholders. You are a beneficial shareholder if the shares that you own are registered in the name of an intermediary, such as a bank, a trust company, an investment dealer, a trustee or other nominee (an **"Intermediary**") and not in your own name.

There are two kinds of beneficial shareholders: those who object to their names being made known to the Corporation, referred to as objecting beneficial owners ("**OBOs**") and those who do not object to the Corporation knowing who they are, referred to as non-objecting beneficial owners ("**NOBOs**").

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

The meeting materials for OBOs will be distributed through intermediaries, who often use a service company such as Broadridge Financial Solutions to forward meeting materials to non-registered shareholders.

Intermediaries are required to forward meeting materials to OBOs unless an OBO has waived the right to receive them. Generally, OBOs who have not waived the right to receive meeting materials will be given a voting instruction form ("**VIF**") which must be completed and signed by the OBO in accordance with the directions on the VIF, or more rarely, will be given a proxy already signed by the intermediary and restricted as to the number of shares beneficially owned by the OBO but which is otherwise not completed.

Should a non-registered shareholder who receives either a proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), the non-registered shareholder should strike out the names of the persons named in the proxy and insert the non-registered shareholder's (or such other person's) name in the blank space provided in the first paragraph of the proxy, or in the case of a VIF, by following the instructions on that form. By doing so, the non-registered shareholder is instructing the intermediary to appoint such non-registered shareholder or his or her designee as proxyholder.

In any event, non-registered shareholders should carefully follow the instructions of their intermediaries and their service companies or included in the proxy form, as the case may be.

NOTICE AND ACCESS

The Corporation has elected to use the notice and access provisions under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* for this Meeting ("**Notice and Access**"). This mechanism allows the Corporation to deliver proxy-related materials to registered holders and beneficial owners of the Corporation's securities by posting such materials on our transfer agent's website rather than delivering such materials by mail. The use of the Notice-and-Access provisions reduces paper use and mailing costs to the Corporation. Shareholders can access proxy-related material from the transfer agent's website at http://noticeinsite.tsxtrust.com/ExcoTechnologiesAGM2017 and under the Corporation's SEDAR profile at www.sedar.com. A paper copy can also be obtained from the Corporation.

The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access provisions. Stratification occurs when a reporting issuer using the Notice-and-Access provisions provides a paper copy of the information circular to some shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice–and-Access provisions, which will not include a paper copy of the Circular.

The requirements of that notice, which requires the Corporation to provide basic information about the Meeting and the matters to be voted on, explain how a shareholder can obtain a paper copy of this information circular and any related financial statements and management discussion & analysis, and explain the Notice-and-Access provisions process, have been built into the Notice of Meeting. The Notice of Meeting has been delivered to shareholders by the Corporation, along with the applicable voting document (a form of proxy in the case of registered shareholders or a VIF in the case of beneficial shareholders).

In relation to the Meeting, all shareholders will have received the required documentation under the Notice-and-Access provisions and all documents required to vote in respect of all matters to be voted on at the Meeting. No shareholder will receive a paper copy of this information circular from the Corporation or any Intermediary unless such shareholder specifically requests it. The Corporation will be delivering proxy-related materials to NOBOs directly. The Corporation will pay for delivery of materials to OBOs and as a result OBOs will receive the meeting materials.

Any shareholder who wishes to receive a paper copy of this information circular must make contact with the Corporation's transfer agent, TSX Trust Company, Proxy Department, 200 University Ave., Suite 300, Toronto, Ontario M5H 4H1, fax number (416) 595 – 9593. In order to ensure that a paper copy of this information circular can be delivered to a requesting shareholder in time for such shareholder to review the information circular and return a proxy of VIF prior to the proxy deadline, it is strongly suggested that such a shareholder ensures that its request is received by no later than January 11, 2017.

Shareholders may call 1 – 866 – 600 – 5869 or email at TMXEInvestorServices@tmx.com. In order to obtain additional information regarding the Notice and Access provisions or to obtain a paper copy of the information circular, up to and including the date of the Meeting, including any adjournment of the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As of the date hereof, the Corporation has outstanding 42,575,799 common shares ("**Common Share**"). Each holder of record of a Common Share, as at the close of business on December 5, 2016, (the "**Record Date**") will be given notice of the Meeting and will be entitled to one vote for each Common Share held as of the Record Date on all matters to come before the Meeting, or any adjournment thereof.

To the knowledge of the directors and officers of the Corporation, no person beneficially owns, controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares except as hereafter set out. Corporations owned or controlled by Brian A. Robbins of which the beneficiaries are Brian A. Robbins, his wife and children, beneficially own 8,593,046 Common Shares. Brian A. Robbins and his wife also beneficially own an additional 1,189,832 Common Shares, which together with the Common Shares referred to in the immediately preceding sentence, represent approximately 22.98% of the issued and outstanding Common Shares. In addition, the Corporation has also been advised that Kernwood Limited, a private investment company controlled by Edward J. Kernaghan, holds 4,766,700 Common Shares, representing approximately 11.2% of all the issued and outstanding Common Shares.

BUSINESS TO BE TRANSACTED AT THE MEETING

FINANCIAL STATEMENTS AND REPORT FROM AUDITORS

Management, on behalf of the Board, will submit to the shareholders at the Meeting the audited consolidated financial statements of the Corporation for the fiscal year ended September 30, 2016 and the report of the Auditors thereon. The audited consolidated financial statements and Auditors' report form part of the Corporation's 2016 Annual Report to Shareholders which is being mailed to shareholders with the notice, the proxy and this circular. Copies of all these documents are available on SEDAR at www.sedar.com.

APPOINTMENT OF AUDITOR

The persons named in the enclosed form of proxy intend to vote for the reappointment of Ernst & Young LLP, Chartered Accountants, Toronto, Ontario as auditor of the Corporation to hold office until the next annual meeting of shareholders at remuneration to be determined by the directors of the Corporation. Ernst & Young LLP was first appointed auditor of the Corporation on January 22, 1992. For the fiscal year ended September 30, 2016, the Corporation incurred $931,000 in fees from Ernst & Young LLP for audit, audit related, tax and other fees. Included in the fees for 2016 were services relating to the acquisition and taxation of AFX Industries.

	2016	2015
Audit fees	**$472,000**	$417,000
Audit Related Fees	**230,000**	0
Tax fees	**29,650**	28,150
Other	**294,230**	0
Total	**$1,025,880**	$445,150

ELECTION OF DIRECTORS

The articles of the Corporation provide for a minimum of 3 and a maximum of 15 directors and the Board of Directors is empowered to determine the number of directors from time to time. The Board currently consists of 7 members and at the Board meeting held on November 30, 2016 the Board determined that the number of directors to be elected at this Meeting would remain at 7.

The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below. Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. Each director elected will hold office until the next annual meeting or until his or her successor is elected or appointed if his or her office is earlier vacated.

Under the Corporation's Board of Directors Charter annexed as Schedule B hereto, any nominee in an uncontested election who receives, from the common shares voted at the meeting in person or by proxy, a greater number of shares withheld than shares voted in favour of his or her election, must promptly tender his or her resignation to the Chairman of the Board, to take effect on acceptance by the Board. The Board and if deemed appropriate by the Board, with the assistance of the Governance and Nominating Committee, will, absent exceptional circumstances, accept the Director's offer to resign. The Board will have 90 days to make a final decision and announce it by way of news release or other means acceptable to the Toronto Stock Exchange. The Director will not participate in any committee or Board deliberations on the resignation offer.

The following summary sets forth the names of all persons proposed to be nominated for election as directors, all other major positions and offices with the Corporation now held by them, their principal occupations, their periods of service as directors of the Corporation and the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them. All directors are residents of Ontario, Canada. Each of the nominees, with the exception of Ms. Colleen McMorrow, has been previously elected at a meeting of shareholders.

Colleen McMorrow is a Corporate Director and prior to that was a senior client serving assurance and business advisory services partner at Ernst &Young until her retirement on June 30, 2016. She has over 35 years of experience serving global Canadian Reporting Issuers and US SEC registrants in various sectors including manufacturing, media and entertainment, technology, aerospace and defence, power and utilities, and private equity. She is a graduate of Concordia University: John Molson School of Business and holds a Bachelor of Commerce (1978) and a Graduate Diploma in Accountancy (1979) She is a Chartered Accountant having been admitted to the Ontario Institute of Chartered Accountants in 1980 and appointed Council Member of the Institute's governing body from 2000 to 2003. In 2000, she was recognized as a Fellow (FCA) of the Institute of Chartered Accountants of Ontario. Colleen commenced her career with EY in 1978, became a partner in 1988 and over her career held a number of leadership roles including Office Managing Partner of the Ernst& Young's Mississauga office from 1994 to 1996, Managing Partner for Ernst & Young's Greater Toronto Area Corporate Assurance and Advisory Business Services practise from 1996 to 1999 and from 2009 to 2016 was the National Director of the EY Entrepreneur of the Year Awards Program. Currently she serves on the board and chairs the Audit Committee of the Investment Management Corporation of Ontario (IMCO), PLAN International Canada, is Vice Chair of the Board of Wellspring Cancer Support Foundation, and a director of NEXT Canada. She is 60 years of age. In 2015 she was named a WXN Top 100 Most Powerful Women. As such, she has ample qualifications to make a valuable contribution to the deliberations of the Board. Colleen is not employed or providing services to the Corporation and as such if she is elected to the Board, she will sit as a non-executive member. She will, however, not be an independent Director and therefore not eligible to sit on the Audit Committee, until December 18, 2018 as section 1.4(3)(c)(iii) of National Instrument 52-110 mandates the passage of three years from the last day that she personally worked on the Corporations audit.

Mr. Peter van Schaik will not be standing for re-election to the Board. He has been a valued and dedicated director since 2006. We wish him all the best in his future endeavours.

Nominee for Election as Director	**Director since**	**Principal Occupation**	**Other Positions Presently Held with Exco and affiliates**	**Common Shares Beneficially Owned, Controlled or Directed (1)**
Laurie T.F. Bennett (2) (3) (4)	January 2005	Corporate Director	None	18,500
Edward H. Kernaghan (2) (3)	January 2009	Executive Vice President, Kernaghan & Partners Ltd., a brokerage firm	None	4,766,700*
Nicole A. Kirk (3) (4)	January 2013	Corporate Director	None	14,550
Robert B. Magee (2) (3)	January 2010	Chairman, The Woodbridge Group	None	20,000
Philip B. Matthews (2) (4)	February 2011	Corporate Director	None	2,000
Colleen M. McMorrow	New Nominee	Corporate Director	None	0
Brian A. Robbins	January 1972	President & Chief Executive Officer, The Corporation	None	9,782,878**

(1) Information as to shares beneficially owned, controlled or directed is furnished by each director individually and is as of November 30, 2016.
(2) Member of the Audit Committee
(3) Member of the Human Resources and Compensation Committee
(4) Member of the Governance and Nominating Committee

** These shares are owned by Kernwood Limited, a private company in which Edward H. Kernaghan has a minority interest.*
** * 8,593,046 of these shares are held by corporations owned by or on behalf of Brian A. Robbins and his wife. See section headed "Voting Shares and Principal Holders Thereof".*

COMPENSATION OF DIRECTORS

In fiscal 2016, each director who was not an employee of the Corporation (an "**Eligible Director**") was paid as remuneration for services as a director of the Corporation the amounts set forth below:

Annual Board Retainer	$30,000 and $15,000 DSU*(1)* allocation
Annual Board Chair Retainer	$30,000
Annual Audit Chair Retainer	$10,000
Annual Governance & Nominating Committee Chair	$5,000
Annual HRC Chair	$5,000
Board Meeting – Attendance	$1,500
Committee Meeting – Attendance	$1,500

*(1) Deferred Share Units ("**DSU**")*

Effective January 1, 2017 Eligible Directors will no longer be paid Board attendance fees, however, the Annual Board Retainer will be increased to $50,000 and the annual DSU allocation will be increased to $20,000.

Director Compensation Table

Name	Fees earned ($)	Share based awards *(1)* ($)	Total ($)
Laurie T.F. Bennett	79,500	15,000	94,500
Edward H. Kernaghan	48,000	15,000	63,000
Nicole A. Kirk	48,500	15,000	63,500
Robert B. Magee	48,000	15,000	63,000
Philip B. Matthews	56,500	15,000	71,500
Peter van Schaik	47,000	15,000	62,000

(1) The value noted is the value on the grant date.

Note: None of the above directors receive option- based awards, non-equity incentive plan compensation, pension benefits, RRSP contributions or other compensation as defined by NI Form 51-102F6 and accordingly, the columns have been deleted for presentation purposes.

Director Incentive Plan Awards

	Option-based Awards				Share-based Awards *(1)*		
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiry date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based award that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Laurie T.F. Bennett	-	-	-	-	-	-	373,665
Edward H. Kernaghan	-	-	-	-	-	-	245,739
Nicole A. Kirk	-	-	-	-	-	-	64,758
Robert B. Magee	-	-	-	-	-	-	155,971
Philip B. Matthews	-	-	-	-	-	-	121,822
Peter van Schaik	-	-	-	-	-	-	343,237

(1) DSUs vest on the grant date but are not redeemable until the recipient ceases to be a Director.

On November 18, 2005 the Board adopted a Deferred Share Unit Plan ("**DSU Plan**") for Eligible Directors. The deferred share units will be redeemed by the Corporation in cash payable after the Eligible Director departs from the Board. Eligible Directors are not granted stock options under the SOP.

Incentive Plan Award - Value Vested or Earned During the Year

Name	**Option-based awards-Value vested during the year ($)**	**Share-based award-Value vested during the year *(1)* ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
Laurie T.F. Bennett	-	15,000	-
Edward H. Kernaghan	-	15,000	-
Nicole A. Kirk	-	15,000	-
Robert B. Magee	-	15,000	-
Philip B. Matthews	-	15,000	-
Peter van Schaik	-	15,000	-

(1) As DSUs vest immediately, their values are as of the grant date.

Several directors are presently directors of other public companies, however, no conflicts exist. Below are the public company directorships currently held by the Corporation's directors and proposed nominees for director.

Directors	**Public Companies**
Edward H. Kernaghan	Brick Brewing Ltd. (TMX:BRB) Boralex Inc. (TMX:BLX) PFB Corp. (TMX:PFB)
Brian A. Robbins	Heroux-Devtek Inc. (TMX: HRX) Air Boss of America Corp. (TMX: BOS)

During the 2016 fiscal year, five Board meetings, including four regular quarterly meetings and one budget/strategy meeting were held. Eligible Directors convene *in camera* meetings at the end of each regular quarterly Board meeting. Mr. Robbins and other members of management are not in attendance at these *in camera* sessions. The following table outlines the attendance, in person or by telephone, of directors at Board meetings in fiscal 2016.

Directors	**Meetings Attended**
Laurie T.F. Bennett	5 of 5
Edward H. Kernaghan	5 of 5
Nicole A. Kirk	5 of 5
Robert B. Magee	5 of 5
Philip B. Matthews	5 of 5
Brian A. Robbins	5 of 5
Peter van Schaik	5 of 5

REPORT ON CORPORATE GOVERNANCE

Four of the seven directors are independent within the meaning of Section 1.4 of NI 52-110. Accordingly a majority of the directors, including the Chairman, are independent. A description of the Chairman's role is set out in Schedule A hereto. Mr. Robbins, who is the President and CEO of the Corporation and who holds in excess of 10% of the Corporation's issued and outstanding Common Shares and his daughter Ms. Kirk, are not independent. Ms. McMorrow, who up to December 17, 2015, has been a partner at Ernst & Young LLP and engaged on the audit of the Corporation is also not independent until December 18, 2018.

The Board has a written charter, the text of which is set forth in Schedule B hereto. The Corporation has also developed a position description for the Chairman and the President/Chief Executive Officer ("CEO") which are set forth in Schedule A. The Board has not developed written position descriptions for the Chair of each of the Corporation's three standing Committees. However, the Board has developed Charters for each of its Committees and the Chair of each Committee understands his/her responsibility for taking the lead role in ensuring that such Committee is operating effectively in accordance with its Charter. Specifically, the Chair of each Committee is responsible for preparing/approving the agenda for the meetings of his or her Committee, managing the affairs of the Committee, monitoring whether the Committee is receiving timely information of appropriate quality before, during and after Committee meetings and providing a link between the Committee and the Board.

Orientation of new directors is accomplished by ensuring that they attend at the Corporation's various production facilities and meet local management. Local management also routinely attends Board meetings and often presents their budgets to the Board each year thereby ensuring that directors have ample exposure to those actually running the businesses and opportunity to question both senior executives and local business unit managers. Meetings with the Corporation's executives ensure that new directors are aware of the Corporation's policies, practises and major business issues. Given that the Corporation's directors are accomplished business executives, certified accountants or highly educated and who are generally engaged in the broader business community the Corporation does not have a formal continuous education policy. The Corporation does however make the Board and committees aware of emerging governance, legal and financial reporting issues that are relevant to the Corporation's affairs.

One (or 14.3%) of the seven members of the Board are currently women. An additional female is nominated to be director at the Meeting which, if elected, will increase female representation to two (or 28.6%) of the seven members of the Board. For a fuller discussion of the Corporation's position on board composition gender diversity see "Governance and Nomination Committee' below.

The Corporation has 3 standing committees. These are the Audit Committee, the Human Resource and Compensation Committee and the Governance and Nominating Committee. For Committee membership, please see "Election of Directors". For further information regarding the composition and qualifications of the **Audit Committee** please see the table below and the Corporation's 2016 Annual Information Form, section "Audit Committee Composition and Qualifications".

	Committee		
	Audit	Governance and Nominating	Human Resources and Compensation
Independent Board Members			
Laurie T. F. Bennett	X	X	X
Edward H. Kernaghan	X		X
Robert B. Magee	X		X
Philip B. Matthews	Chair	X	
Peter van Schaik			Chair
Non-Independent Board Members			
Brian A. Robbins			
Nicole A. Kirk		Chair	X

The **Governance and Nominating Committee** is comprised of three directors - two of which are independent. The Committee met once during the year. This Committee is responsible for, among other things, reviewing and reporting to the Board from time to time on the size, composition and profile of the Board, reviewing the qualifications of persons submitted as potential candidates for the Board and making recommendations to the Board in respect of same and annually reviewing the contribution of individual members of the Board and the performance of the Board as a whole. In conjunction with the Chair of the Board, the Committee recommends to the Board the membership and Chairs of each of the Committees of the Board. The Committee is also responsible for advising the Board on matters of corporate governance. The Committee meets as often as is necessary to carry out its responsibilities. In fiscal 2016, the Committee met once and also met once subsequent to year end to consider the retirement of Mr. van Shaik and consideration of the new nominee – Ms. McMorrow. The Committee is permitted access to all records and corporate information that it determines necessary to discharge its duties and responsibilities.

The Governance and Nominating Committee is responsible for recommending candidates for nomination to the Board. Each member of the Board is encouraged to recommend potential candidates for the Board and such recommendations are then reviewed by the Committee. In conducting such review, the Committee considers the competencies and skills that the Committee considers to be necessary for the Board as a collective to possess and the competencies and skills that the Committee considers the Corporation's existing directors to possess. In reviewing the qualifications of potential candidates, the Committee assesses, among other things, industry experience, financial literacy, functional expertise in such areas as accounting and corporate finance and previous experience as a director. The Governance and Nominating Committee does not set specific, minimum qualifications that nominees must meet in order to be recommended to the Board, but rather believes that each nominee should be evaluated based on his or her individual merits taking into account the needs of the business and the composition of the Board. Additionally, neither the Governance and Nominating Committee nor the Board has a specific policy with regard to the consideration of diversity in identifying director nominees; however both may consider the diversity of background and experience of a director nominee in the context of the overall composition of the Board at that time, such as diversity of knowledge, skills, experience, geographic location, age, gender, and ethnicity. The Governance and Nominating Committee may also consider candidates recommended by significant shareholders. Members of the Governance and Nominating Committee discuss and evaluate possible candidates in detail and suggest individuals to explore in more depth. Candidates believed to be suitable are then discussed with the Chair of the Board and as appropriate, the Chair of the Board initiates a meeting with the candidate to determine such candidate's interest and availability.

The Governance and Nominating Committee met on September 2nd, 2015 and imposed term limits on independent Directors (as defined in Section 1.4 of NI 52-110). The term limits are fifteen years commencing from the date of first appointment to the Board and ending on the first annual shareholder meeting held after the fifteen year anniversary of appointment. The independent Directors will also be required to resign from the Board upon attaining the age of seventy-five; such resignation to be effective as of the first annual shareholder meeting held after such Director attains the age of seventy-five. At its meeting on July 27, 2016 the Governance and Nominating Committee amended the term limits effective February 28, 2019 by reducing the mandatory retirement age from seventy-five years of age to seventy years of age for directors who are independent. Prior to the effective date of this amendment two directors (Laurie T. F. Bennett and Philip B. Matthews) who are already over seventy years of age will retire and new nominees will be identified by the Governance and Nominating Committee.

The Governance and Nominating Committee annually conducts an assessment of the effectiveness of the CEO. The Committee also periodically assesses the effectiveness of the Board itself. The Chair of the Committee is responsible for circulating to each member of the Board the confidential assessment surveys and for reviewing the responses thereto. The surveys seek to assess the effectiveness of individuals and the Board as a whole. The results of these assessments are evaluated, reviewed with the Chairman of the Board, and recommendations as appropriate are presented to the Board.

The **Human Resource and Compensation Committee** (the "**HRC Committee**") consists of five directors - four of which are independent. The Committee met twice during the fiscal year. The Committee is responsible for making recommendations to the Board with respect to the appointment of the Corporation's senior officers. Two of these HRC Committee members (Mr. van Schaik and Mr. Magee) are or have been President and/or CEO of global automotive component suppliers with thousands of employees and as such have direct and extensive experience with compensation arrangements and their suitability for both senior management and production staff – both domestically and internationally. Mr. Kernaghan is a director of three public companies and as such is also very familiar with compensation levels for senior executives. The HRC Committee is also responsible for initiating and reviewing compensation arrangements for the Corporation's senior officers and the directors and for making recommendations to the Board in respect of same. The Board is ultimately responsible for adopting these recommendations if it determines it appropriate to do so. In carrying out its duties, the HRC Committee is responsible for, among other things, developing or approving performance indicators and objectives for the President and CEO and**,** in conjunction with the President and CEO, for the other senior officers of the Corporation. The HRC Committee is also responsible for developing or approving the design and administration of short and long-term incentive plans, benefit plans and employment termination arrangements for senior executive officers. The HRC Committee meets as often as is necessary to carry out its responsibilities.

COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Discussion and Analysis is designed to explain the significant principles which underlie the Corporation's policies and procedures for the compensation of its executive officers, including information on the objectives of the Corporation's executive compensation strategy. Included in this section is a discussion of each element of compensation, why the Corporation has chosen to recognize each element, how the Corporation calculates the amount for each element and how each compensation element fits into the Corporation's overall compensation strategy.

The Board of Directors, on the recommendation of the HRC Committee determines on an annual basis the base compensation for the CEO of the Corporation based on internal deliberations following consultation with the HRC Committee and other members of the Board. With respect to base salary, the HRC Committee does not apply formal objectives or set formulae in order to determine base compensation but conducts a qualitative determination of the level of performance in regards to strategic objectives of the Corporation. With respect to cash bonus and Long Term Incentives for the CEO and business unit managers, rewards are based on objective formulae relating to the financial performance of their business units or consolidated financial results. The Board, upon the recommendation of the HRC Committee also determines on an annual basis the total compensation of the Chief Operating Officer ("COO"), Chief Financial Officer ("CFO") and Executive Vice President ("EVP"). This determination takes into account the recommendation of the President and CEO and the HRC Committees' views as to the broad scope of responsibilities of the Corporation's COO, CFO and EVP and the HRC Committee's subjective assessment of their impact on the Corporation's overall success.

The Corporation's executive compensation philosophy is to:

(a) Provide a competitive level of base compensation and benefits that will attract and retain talented and committed executives; and
(b) Reward executives by use of short term incentives (cash bonus) and long term incentives (stock options) for the achievement of consistent higher than average profitability.

In order to attract and retain a high level of executive talent, the HRC Committee has historically targeted total executive compensation levels in the median range to above-mid range of automotive manufacturing and industrial companies, whose operational, corporate finance and other activities are considered comparable to those of the Corporation. This is not a rigid requirement and discretion exists to take into account trends and/or challenges in the automotive industry. The HRC Committee has established this range because the global automotive power train and component sector is extremely complex, constantly challenged, and exceptionally competitive and also because the Corporation must have reliable, motivated and superior talent in order to deal with these challenges and to accomplish its strategic objectives.

Periodically, the HRC Committee compares executive compensation levels with other Canadian small cap public companies in the automotive industry. This testing of compensation levels is done with respect to base salary and annual bonus. This process was undertaken in 2012 with the assistance of Mercers. The mandate was to select up to eight small cap Canadian public companies in the automotive industry with annual sales within half to two times that of the Corporation. Two additional Canadian small cap companies were added one of which exceeded the top range and one of which exceeded the bottom range. This provided guidance to the Committee on executive compensation and allowed the Committee to evaluate market compensation information and ensure that the HRC Committee's approach is appropriate and is generally consistent with compensation trends in the marketplace. Regarding its compensation deliberations in respect of the 2016 fiscal year, the Committee also had the benefit of conducting an extensive executive search for a VP Finance & CFO with the assistance of Spencer Stuart, an executive search firm, and as such has been well informed about the compensation levels for this position. Mercers was not engaged by the Corporation or any of its affiliates or subsidiaries for any other services during the 2016 fiscal year.

For fiscal 2016 the HRC Committee quantified and reviewed all elements of the compensation of the Corporation's executives named in the Summary Compensation Table, below (the "Named Executive Officers" ("NEOs")). The Committee also quantified and reviewed the projected payouts to the Named Executive Officers and payouts resulting from their termination and under the Corporation's Share Option Plan and other payouts. The Committee reviewed this information at a meeting held in December 2016 when the audited financial results for the fiscal year were known to ensure that it had a complete understanding of each element of the compensation arrangements in effect for the NEO's, including an understanding of the "total" current executive compensation including future commitments. The Committee Chairman also addressed compensation matters at several Board meetings throughout the year.

The HRC Committee believes that the total compensation packages of the Corporation's executive officers are appropriate in light of the Corporation's overall performance during 2016, given margin and cashflow performance, the ongoing greenfields in Brazil and Thailand, the increased global complexity of Exco and the acquisition/financing of AFX Industries during the year. The HRC Committee also considered the Corporation's share price performance as a factor in its compensation determinations and concluded that factors beyond management's control such as sector rotation and automotive multiple contraction was likely a factor impacting the modest drop in the Corporation's share price in late 2016. It undertook a comparison of the Corporation to its peer companies as described above and the HRC Committee recognizes that the Corporation's share price, although declining modestly in late 2016, outperformed its peers in the Automotive & Components index and was far superior to the S&P/TSX Small Cap index over the longer term. In addition, the Corporation's return on capital employed, EBITDA multiple, dividend yield and price to book ratio was among the highest of Canadian public automotive suppliers in 2016. It also noted that the Corporation maintained among the strongest balance sheet and dividend growth history in its peer group.

Elements of Executive Compensation

Executive compensation for 2016 included four basic elements, along with a package of benefit plans designed to complement the compensation components described below. The following summarizes the Corporation's reasons for each element of compensation:

1. Base Salaries

Base salaries provide fixed compensation to executives. The Corporation pays base salaries that the HRC Committee believes are competitive with salaries paid for similar positions and are based on the executives level of responsibility and ability to influence the performance of the Corporation and take into account that the Corporation does not offer a pension plan or retirement benefits of any kind. These salaries are reviewed by management and the HRC Committee annually. In 2016 no changes to the CEO and COO's base salaries were made. The increased size and complexity of the business given the acquisition of AFX Industries in April 2016 was deemed to be insufficient to warrant changes. During the year the Corporation also added an Executive Vice President to the executive team which will assist the CEO, COO and CFO in the execution of their duties. There were also no changes to the base salaries of the other NEOs during 2016. The acquisition and oversight of AFX Industries was deemed to warrant an increase of US$60,000 in William Schroers' base salary. The balance of the difference over last year's compensation level with respect to Willian Schroers is a function of exchange rate differences ($1.12 – 2015 compared to $1.308 – 2016) as he is paid in US dollars.

2. Cash Bonus Program

The cash bonus program is a variable component of compensation and is designed to compensate business unit managers for the short term financial performance of the operations for which they are responsible.

The annual bonus program of the CEO and the COO is calculated as a percentage of the adjusted consolidated pre-tax profit of the Corporation. The adjustment to consolidated pretax profit is a capital charge deduction. The capital charge deduction is obtained by multiplying the Corporation's percentage cost of borrowing by the prior year-end shareholders' equity. The CEO and the COO receive 3% and 1.5% respectively of the adjusted consolidated pretax profit in cash or, in the discretion of the Board, in cash and grants of stock options. The CEO's bonus is capped at $1.5 million and the COO's bonus is capped at 100% of base salary. The CFO receives a discretionary cash bonus capped at 35% of base salary as it is deemed inappropriate to link the CFO's bonus to profitability.

The cash bonus payable to business unit managers is 50% of that business' bonus pool (subject to a cap as discussed below). The bonus pool is calculated by applying the following two – step formula to each business unit or business group, as the case may be:

Step 1:

Fiscal Year Pre-Tax Profit - Hurdle Amount
-- **=** Pre-Tax after Hurdle Return on Sales percentage
Net Sales

Step 2:

(Fiscal Year Pre-Tax Profit - Hurdle Amount) **X** Pre-Tax after Hurdle Return on Sales percentage **=** Bonus Pool

Fiscal Year Pre Tax Profit is subject to numerous adjustments and is capped at 20% of sales. The Hurdle Rate is 10% of the net investment (less cash, debt and intercompany charges) in the business or business group. In all cases, the business unit manager's bonus is capped at a maximum of 100% of base salary. The cash bonus program varies in detail between segments and divisions to suit particular circumstances but is uniform in basic philosophy and design. The bonus is paid in cash but may be paid in cash and grants of stock options in cases where the bonus for any individual exceeds $50,000. See 'Long Term Incentive Program' below.

The Board retains discretion to award cash bonuses in addition to the requirements of the cash bonus program in keeping with its philosophy of ultimate control over executive compensation and the need, from time to time, to deal with exceptional circumstances. In 2016, the acquisition and integration of AFX Industries was such an exceptional circumstance. The President and CEO of the Automotive Solutions group was accordingly awarded a one-time payment of US$250,000. The VP and General Manager of the Castool group was also awarded one-time payment of $67,000 in recognition of that group's improvement in earnings at Castool Canada and achievement of positive cash flow at Castool Thailand.

3. Long Term Incentive Program

Long term incentives for NEO's consist of share options which are also a variable component of compensation. Where the cash bonus payable to business unit managers or the CEO and COO exceeds $50,000, the entitled individual may be required to accept, in lieu of cash, stock options equal to up to one quarter of the cash bonus entitlement exceeding $50,000. These options are 10-year stock options granted at the market price at the time of grant. The Corporation also retains the right to grant discretionary options with 5 year duration. This discretion is used from time to time to provide additional long term incentives management and recognize exceptional circumstances.
These share options vest at the rate of 20% per year and act as an inducement for the recipients to remain in the employ of the Corporation and make business decisions that will contribute to the Corporation's long term share price appreciation.

4. Personal Benefits

The Corporation maintains competitive group benefit plans for all NEOs including provision of life insurance, accidental death and dismemberment insurance, short term disability income, long term disability income and health and dental coverage. Benefits under these plans do not materially differ from those extended to other management employees of the Corporation. Group benefits cease on the NEO's retirement or termination and, with respect to certain group benefits, upon obtaining the age of 65 and 70 (depending on the benefit). From time to time the Corporation provides other forms of compensation that are common in the automotive industry such as providing company cars/car allowances and club memberships to NEOs.

Each of the compensation elements above are generally designed to accomplish one or both of the Corporation's two goals: 1) attraction and retention of key talent, and 2) alignment of compensation with Corporation performance, which includes achievement of consistent higher than average profitability.

1. Attraction and Retention of Key Talent

The compensation package meets the goal of attracting and retaining key talent in a highly competitive automotive manufacturing environment through the following elements:

- A competitive total compensation program, including base salary, cash bonus, long term incentives that are competitive with similar opportunities offered in the marketplace for executive talent; and
- Ten-year share option grants with five-year vesting encourage long tenure with the Corporation.

2. Alignment of Compensation with Corporation Performance

The compensation package aligns individual compensation with the Corporation's operating and financial performance because:

- The base compensation and personal benefits are sufficient to retain competent executive management, and
- The cash bonus and share option awards for business unit managers incent and motivate them to improve the Corporation's operating and financial performance, namely, the Corporation's pretax profit as a percent of sales after a hurdle rate of 10% of net investment in the business unit is deducted. As this ratio improves the Corporation's net investment declines and gross margin, EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization), cash flow and ultimately the share price should rise. In the case of the CEO and COO as consolidated pretax profit above the cost of borrowing charge rises so should the Corporation's overall earnings, EPS and ultimately share price.

As noted above, the Committee targets total compensation at the mid-range to above-mid range of comparable market practices. Various elements of total compensation are managed so that the total package provides the potential to add up to the approximate midpoint of the equivalent position range at target performance levels. Within total compensation, in 2016, the Committee sought to balance the various components with a view to retain talent in order to achieve short term and long term objectives, as well as offering attractive compensation. Besides base salary and personal benefits all other compensation is at-risk, which means that all the cash bonus and long term incentive is at-risk and tied to the Corporation's performance for all NEOs.

A. Base Salaries

In setting salaries of the Named Executive Officers, the Committee reviewed automotive and general industry benchmark data for the CEO. For the other Named Executive Officers it consults with the CEO regarding individual performance. Based on the foregoing review, as well as consideration of individual performance, tenure and experience, the performance of the Corporation overall, any retention concerns, the individual's historical compensation and input from other Board members, the Committee sets the base salaries for the Named Executive Officers. The salaries that the Committee approved for the Named Executive Officers for 2016 are shown in the salary column of the Summary Compensation Table. In 2015 changes to the CEO and COO's base salaries were made to reflect the increased size and complexity of the business given the acquisition of ALC in March 2014. As indicated above, with the exception of William Schroers whose base salary was increased by US$60,000 on account of expanded duties resulting from the acquisition and oversight of AFX Industries, no changes were made in 2016 to the base salary of the CEO, COO and CFO as the acquisition of AFX Industries was deemed insufficient to warrant an increase and the addition of an Executive Vice President to the executive ranks will assist them in the execution of their duties.

B. Cash Bonus Awards

Given the strong business unit earnings experienced in both of the Corporation's segments as well as the sustained profitability of the Corporation's consolidated earnings in 2016 all NEOs earned a cash bonus in accordance with the formulae described above in amounts set forth in the Summary Compensation Table set out below. These formulae are driven by the Corporation's earnings and not its stock price; however, the 2016 cash bonus awards are consistent with and positively correlated with Exco's superior performance compared to the S&P/TSX Small Cap index and the Automotive & Components index in 2016 as summarized in the Performance Graph below. In 2016, the integration of AFX Industries was an exceptional circumstance. The President and CEO of the Automotive Solutions group was accordingly awarded a one-time payment of US$250,000. The VP and General Manager of the Castool group was also awarded one-time payment of $67,000 in recognition of that group's improvement in earnings at Castool Canada and achievement of positive cash flow at Castool Thailand.

C. Long Term Incentive

All NEOs earned cash bonuses in excess of $50,000 in 2016. The Board exercised its discretion and granted no 10 year stock options. The Board did in 2016 exercise its discretion and awarded 5 year options to MR. Knight and Mr. Paul Robbins (see Summary Compensation Table for detail). The award of share options to Mr. Knight recognizes his swift and successful assumption and execution of his CFO duties. The award of 5 year share options to Mr. Paul Robbins recognizes the outstanding combined financial performance of the Castool Canada and Castool Thailand. The remaining NEOs, (Mr. Brian Robbins, Mr. Riganelli and Mr. Schroers) are nearing retirement and it was felt that, in this circumstance, options were not satisfactory long term motivators. Historic share option information for grants to NEOs are shown in the table "Outstanding Option-Based Awards".

Managing Compensation Related Risk

In 2016, the HRC Committee considered the implications of the risks associated with its compensation policies and procedures. The HRC Committee is actively involved in the risk oversight of its compensation policies and practices. Managing compensation risk within the context of a decentralized management structure such as Exco's is a critical component of the Corporation's overall risk mitigation process.

The Company uses the following practices to discourage or mitigate excessive risk-taking:

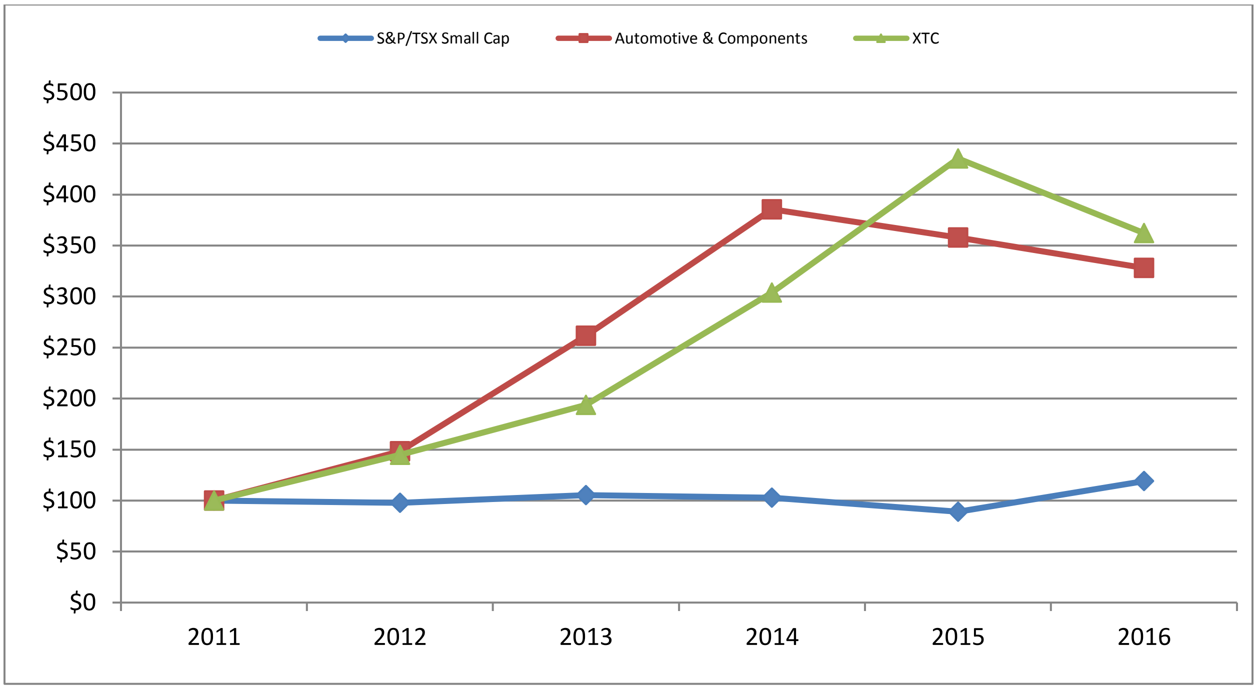
- The Board reviews and approves each business unit's annual plan and budgets before the start of each fiscal year. These annual plans and budgets include the determination of bonus pools although the allocation to individuals does not take place. Each quarter the annual plans and budgets (included bonus pools) are monitored and updated quarterly by corporate management, if business conditions require it, and reported to the Board.
- The Corporation now has employment contracts for all NEOs except the CEO and VVP & General Manager of the Castool group. These employment contracts are approved by the HRC Committee, and incorporate in detail all the terms of compensation. The CEO's bonus is documented and determined by formula as previously discussed herein (see "Elements of Compensation" above).
- Bonuses for NEOs are negotiated in the employment contract as a specific percentage of the fiscal year's pre-tax profits and the size of each business unit's bonus pool is capped. Also, at the individual NEO level there is a cap of 100% of base pay for all NEOs; the negotiated percentages do not fluctuate, although the amount of bonus will fluctuate as profits and net investment fluctuate. The underlying objective of such bonus structure (including of executive officers, and for divisional general managers) is to encourage entrepreneurial management behavior and to link an officer's compensation to the profitability of the operations over which he or she is responsible. As profitability of the division or plant increases, so will such person's bonus.
- All equity based awards (for executives and non-executives) are approved by the HRC Committee and the Board of Directors; where not included in an employment contract, equity compensation is based on performance and is discretionary (as described above).
- The HRC Committee has delegated employment contract negotiations for its vice-presidents and general managers to the CEO and COO, using the same principles as utilized by the HRC Committee and all base salary and bonus awards and employment contracts are approved by the HRC Committee.
- In 2016 all those executive contracts that required renewal, were updated and reviewed by the HRC Committee.
- The Corporation does not have firm share ownership requirements for its NEOs; however, historically NEO share ownership is relatively high. The Corporation does not explicitly prohibit hedging of Exco shares and share based compensation awards, however, no NEO has entered into such arrangements in the past and none exist at the present time.
- The Corporation's long term incentive program includes options which vest over time (or a significant portion of which vest over time). This ensures that executives remain exposed to the risks of their decisions and vesting periods align with risk realization periods. The trading of Common Shares, whether obtained through option exercise or otherwise, is subject to specified black-out periods.
- The Audit Committee and Board of Directors are responsible for assessing and monitoring the Corporation's financial and enterprise risks. Accordingly, the Audit Committee has two members who are former partners with a national accounting firm with extensive and detailed knowledge of financial reporting and recent trends in both IFRS and accounting for the hedging of risk.

- The HRC Committee in some cases and the Board retains, in appropriate circumstances, the discretion to adjust annual incentive payments to take into account unexpected events. Where there are no pre-tax profits, no bonuses are payable to NEOs.

As a result of the HRC Committee's review of its compensation plans, it has concluded that there are no identified risks arising from its compensation programs which are reasonably likely to have a material adverse effect on the Corporation.

PERFORMANCE GRAPH

The following graph illustrates the five-year cumulative total shareholder return (assuming reinvestment of dividends) of a $100 investment in shares on September 30, 2011 to September 30, 2016 compared with the return on the S&P/TSX Small Cap Index and the Automotive & Components index.



As of September 30	2011	2012	2013	2014	2015	2016
S&P/TSX Small Cap	100	98	105	103	89	119
Automotive & Components	100	148	261	386	358	328
XTC	100	145	194	304	435	362

Summary Compensation Table

The following table provides a summary of compensation earned during the last fiscal year by the CEO, CFO and the 3 most highly compensated executive officers who served as executive officers of the Corporation at the end of the fiscal year ended September 30, 2016 (the "Named Executive Officers").

Name and Principal Position	Year	Salary ($)	Option Based Awards ($)*(2)*	Annual Incentive Plan ($)	All Other Compensation ($) *(1)*	Total Compensation ($)
Brian A. Robbins President & CEO	2014	400,000	-	1,021,320	63,095	1,484,415
	2015	500,000	-	1,580,751	68,555	2,149,306
	2016	**500,000**	**-**	**1,500,000**	**69,090**	**2,069,090**
Drew Knight VP Finance & Chief Financial Officer *(3)*	2014	-	-	-	-	-
	2015	91,385	95,911	25,000	-	212,296
	2016	**240,000**	**57,250**	**84,000**	**-**	**381,250**
Paul E. Riganelli Senior Vice President & COO	2014	300,000	193,500	300,000	-	793,500
	2015	350,000	95,911	350,000	-	795,911
	2016	**350,000**	**-**	**350,000**	**-**	**700,000**
William Schroers President and CEO, Automotive Solutions Group *(4)*	2014	324,000	-	324,000	109,000	757,000
	2015	336,000	95,911	336,000	280,000	1,047,911
	2016	**470,880**	**-**	**470,880**	**327,000**	**1,268,760**
Paul Robbins Vice President, General Manager, Castool Group	2014	290,000	-	185,220	-	475,220
	2015	290,000	38,364	187,600	-	515,964
	2016	**290,000**	**45,800**	**290,000**	**67,000**	**692,800**

(1) The value of annual perquisites and benefits for each of the Named Executive Officers is shown only when the value exceeds the lesser of $50,000 and 10% of the total annual salary and bonus.

(2) Fair value of the awards earned in fiscal 2016 on the grant date calculated based on Black-Scholes option pricing model with the following assumptions:

Risk-free rate	*0.881%*
Expected dividend yield	*1.634%*
Expected volatility	*33.37%*
Expected time until exercise	*5.5 years*
Weighted average fair value of the options granted	*$3.83*

(3) Mr. Knight assumed the position of VP Finance and CFO effective May 19, 2015.

(4) Mr. Schroers' Salary, Annual Incentive Plan and All Other Compensation is paid in $USD. The exchange rate is the rate at the beginning of the fiscal year - $1.308.

Note: None of the Named Executive Officers are covered by a pension plan or received any share based awards or long-term incentive plan awards as defined in National Instrument Form 51-102F6 and accordingly, the columns have been deleted for presentation purposes.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

Name	Number of Securities Underlying Unexercised Options (#)	Option Price ($)	Option Expiration Date	Value of Unexercised in-the-money Options as at September 30, 2016 *(1)* ($)	Option-based awards - Value vested during the year ($)
Brian A. Robbins	-	-	-	-	**-**
Drew Knight	**25,000**	**14.58**	**2-Mar-2021**	**-**	**-**
Paul E. Riganelli	9,382	5.33	29-Nov-2022	63,516	
	15,000	7.09	29-Apr-2019	75,150	
	40,000	8.86	22-Oct-2019	129,600	
	25,000	14.58	02-Mar-2021	-	
	89,382			**268,266**	**198,372**
William Schroers	25,000	7.09	29-Apr-2019	125,250	
	25,000	14.58	02-Mar-2021	-	
	50,000			**125,250**	**37,450**
Paul Robbins	6,549	1.52	26-Nov-2018	69,288	
	20,000	3.55	24-Jul-2017	171,000	
	1,076	4.00	28-Nov-2016	8,715	
	25,000	7.09	29-Apr-2019	125,250	
	10,000	14.58	02-May-2021	-	
	62,625			**374,253**	**136,260**

(1) Difference between the market value of the securities underlying the instruments at the end of the year, and the exercise or base price of the option.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards - Value Vested during the Year ($)	Non-Equity Incentive Plan Compensation - Value Earned during the Year ($)
Brian A. Robbins	-	2,069,090
Drew Knight	-	324,000
Paul Riganelli	198,372	700,000
William Schroers	37,450	1,111,800
Paul Robbins	136,260	647,000

Note: None of the Named Executive Officers has received any share based awards as defined in NI Form 51-102F6 and accordingly, the column has been deleted for presentation purposes.

Executive Contracts

Mr. Knight, Mr. Riganelli and Mr. Schroers are the Named Executive Officers with written employment contracts. Mr. Knight's employment contract provides for a base salary of $240,000 plus a discretionary bonus of up to a maximum of 35% of the base salary. The employment contract has no fixed term, however, provides for notice, or payment in lieu of notice, in the event of termination without cause in the amount of six month base pay if terminated within six years of his start of employment date. If terminated after six years of service the contract provides for notice, or payment in lieu of notice, in the event of termination without cause in the amount of one month of base pay for every year of service up to a maximum of fifteen months. As of the date of the circular this amount would be approximately $120,000. No change of control provision exists.

Mr. Riganelli's employment contract provides for a base salary of $350,000 plus a bonus up to a maximum of 100% of the base salary calculated based primarily on the Company's consolidated pretax profit after a cost of capital charge. The employment contract has no fixed term, however, provides for notice, or payment in lieu of notice, in the event of termination without cause in the amount of one month and accrued bonus for every year of service. As of the date of the circular this amount would be approximately $500,000. No change of control provision exists.

The Corporation has entered into a contract with WS Enterprises Inc. and William Schroers for management services relating to the management of the Automotive Solutions segment. The contract is for a fixed term expiring on December 31, 2017. Both parties are domiciled in the State of Michigan, USA. The amount paid to WS Enterprises Inc. under this contract by the Corporation for the fiscal year ended September 30, 2015 is set out in the compensation table above. Upon expiry of the contract it is terminable without notice by either party on twelve months prior written notice and a payment of US$500,000. There is no change of control provision.

DESCRIPTION OF EQUITY COMPENSATION PLANS

Securities Authorized for Issuance under Equity Compensation Plans

Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options (#)**	**Weighted-Average Exercise Price of Outstanding Options ($)**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (#)**
Equity compensation plan approved by security holders *(stock option plan)*	626,657	10.70	1,671,688
Equity compensation plans not approved by security holder	-	-	-
Total	**626,657**	**10.70**	**1,671,688**

Stock Option Plan ("SOP")

Pursuant to the terms of the Corporation's SOP, the Board of Directors is authorized to issue options to officers and employees to acquire Common Shares at such prices as the Board may determine, provided the price is more than the minimum price permitted by the Toronto Stock Exchange. Directors who are not officers are not eligible to receive stock options under the SOP. At present, the TSX requires the price to be no less than the weighted average price of the Corporation's Common Shares on the last 5 trading days before the day of the grant by the Board.

Options granted under the SOP must expire no later than 10 years after the date of grant and are not transferable or assignable other than by will or other testamentary instrument or the laws of succession. Options vest at the rate of 20% per annum. If a participant under the SOP is dismissed for cause, all unexercised options of the participant immediately terminate. If a participant under the SOP ceases to be a director, officer or employee of the Corporation or its subsidiaries, each option held by such participant will cease to be exercisable 30 days thereafter. If a participant under the SOP dies, the legal representative of the participant may exercise the participant's options for a period of 6 months following the date of the participant's death, but only up to the original option expiry date. The Board retains discretion to extend these time limits but has never done so.

The SOP provides that the number of Common Shares reserved for issuance to any one person under the Plan may not exceed 5% of the outstanding Common Shares at the relevant time. It also provides that no option will be granted to non-employee Directors if the grant would result in the number of shares reserved for issuance for all non-employee Directors collectively exceeding 1% of the number of issued and outstanding Common Shares at the proposed time of grant.

At the time the SOP was established, 820,177 Common Shares were reserved for issuance. Adjustments were made for a stock split in 1998 (3 for 2) and a stock dividend in 2003 (2 for 1). Additional Common Shares were reserved thereafter. Most recently, in January 2005 shareholders approved an amendment to the SOP to increase the number of Common Shares reserved thereunder by 760,000 to 6,080,118. The SOP provides that the Board may amend it with the prior approval of the TSX. The Corporation does not provide financial assistance in connection with the exercise of options under the SOP but retains the discretion to do so in appropriate circumstances.

At fiscal year-end, the Corporation had options outstanding under the SOP to purchase 626,657 Common Shares at exercise prices ranging from $3.79 to $14.58 per share, representing 1.5% of the Corporation's outstanding Common Shares. 1,671,688 Common Shares (representing 3.9% of outstanding Common Shares) are available for future grants under the SOP as set forth in the table below:

	Common Shares
Common Shares currently reserved	6,348,227
Common Shares previously issued on exercise of options	(4,049,882)
Common Shares reserved for issue pursuant to outstanding options	(626,657)
Common Shares available for future options	**1,671,688**

NORMAL COURSE ISSUER BID

On May 5, 2005 the Toronto Stock Exchange approved the Corporation's request to implement a normal course issuer bid. The complete issuer bid share purchase history for each fiscal year since inception is as follows:

Fiscal Year	Shares Purchased	$ Per Share	$ Paid
2005	8,800	$4.00	$35,200
2006	183,400	$3.79	$695,086
2007	156,700	$3.86	$604,862
2008	530,200	$3.45	$1,829,190
2009	282,100	$1.88	$530,348
2010	11,600	$2.08	$24,128
2011*	-	-	-
2012	777,180	$3.53	$2,743,445
2013	-	-	-
2014	-	-	-
2015	-	-	-
Total	1,949,980		$6,462,259

**The issuer bid was allowed to lapse on May 9, 2011 and was reinstituted on October 5, 2011.*

The normal course issuer bid expired on October 6, 2014 and was not renewed. Since inception of the normal course issuer bid an average price of $3.31 per share was paid to repurchase Exco shares. All shares were cancelled.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation holds directors' and officers' liability insurance in the aggregate amount of $10,000,000 for annual premiums of approximately $38,500. The Corporation will pay the first $100,000 of any claim made under the policy.

GENERAL

Information contained herein is given as of November 30, 2016. The management of the Corporation knows of no matter to come before the Meeting of shareholders other than the matters referred to in the Notice of Meeting. The contents and the sending of this management information circular have been approved by the Board of Directors of the Corporation.

Additional financial information is provided in the Corporation's comparative financial statements and Management Discussion & Analysis for fiscal 2016. Further information relating to the Corporation is available on SEDAR at 'www.sedar.com'. Security holders may request copies of the Corporation's financial statements and management discussion and analysis for fiscal 2016 by contacting the Corporation at its corporate office at 130 Spy Court, 2nd Floor, Markham, Ontario, L3R 5H6, Phone 905-477-3065, Fax 905-477-2449.

Toronto, Ontario	Drew Knight
November 30, 2016	VP Finance, CFO & Secretary

Schedule A

Role of the Chairman of the Board

The Chairman of the Board of Directors (the "Board") of Exco Technologies Limited manages the business of the Board and ensures that the Board and its committees are effectively carrying out the functions identified. In addition to ensuring the operation of the Board, the Chairman performs the following functions:

1. in consultation with the President, Chief Executive Officer ("CEO), Chief Operating Officer ("COO") & Chief Financial Officer ("CFO") prepares the agenda for each meeting of the Board;

2. ensures that all directors receive the information required for the proper performance of their duties

3. ensures that the appropriate committee structure is in place and makes initial recommendations for appointment to such committees;

4. in consultation with the Chair of the Human Resource and Governance Committee, ensures that an appropriate system is in place to evaluate the performance of the Board as a whole, the Board's committees and individual directors, which may include the use of director questionnaires and interviews of each director on his or her performance, and makes recommendations for changes when appropriate; and

5. works with the President and CEO and senior management to monitor progress on strategic planning, policy implementation and succession planning.

Role of the President and CEO

The President and CEO of Exco Technologies Limited (the "Company") provides leadership of the Company and, subject to approved policies and direction by the Board of Directors (the "Board"), manages the business and affairs of the Company and oversees the execution of its strategic plan. In addition, to managing the business and affairs of the Company, the CEO performs the following functions:

1. presents to the Board for approval a strategic plan for the Company including the strategies to achieve that plan, the risks and alternatives to these strategies and specific steps and performance indicators, which will enable the Board to evaluate progress on implementing such strategies;

2. proposes to the Board for approval annual capital and operating plans to implement the Company's strategies together with key financial and other performance goals for the Company's activities and reports regularly to the Board on the progress against these goals;

3. acts as primary spokesperson for the Company and all its stakeholders;

4. assesses the senior management of the Company and provides for the orderly succession of senior management including the recruitment, training and development required;

5. recommends to the Board the appointment or termination of any officer of the Company other than the Chair;

6. together with the Company's CFO, establishes and maintains disclosure controls and procedures, and internal controls and procedures for financial reporting appropriate to ensure the accuracy and integrity of the Company's financial reporting and public disclosures; and

7. ensures that the Company is in full compliance with applicable laws and regulations and with its own policies.

Schedule B

Board of Directors Charter

1. Role of the Board

The Board of Directors of Exco Technologies Ltd. (the "Company") is elected by the Company's shareholders to supervise directly and through its committees, the management of the business and affairs of the Company, which are conducted by its officers and employees under the direction of the President and Chief Executive Officer ("CEO").

The primary stewardship responsibility of the Board of the Company is to ensure that Management conducts the business and affairs of the Company with the main objectives to enhance shareholder value in a manner that recognizes the concerns of other stakeholders in the Company, including its employees, suppliers, customers and the communities in which it operates, to continuously improve the Company's performance and quality of its products and services, and to ensure its continuous growth and development.

2. Duties and Responsibilities of the Board

The Board shall meet regularly to review reports by management on the performance of the Company. In addition to the general supervision of Management, the Board performs the following functions:

a) **strategic planning** –overseeing the strategic planning process within the Company and reviewing, approving and monitoring the Company's strategic plan, including fundamental financial and business strategies and objectives, taking into account, among other things, the opportunities and risks of the business, market and product global trends, and growth potential;

b) **risk assessment** – monitoring and assessing the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;

c) **integrity of CEO and other executive officers** –to the extent feasible, satisfying itself as to the integrity of the CEO and other executive officers and satisfying itself that the CEO and other executive officers create a culture of integrity throughout the organization.

d) **senior management** – overseeing the selection, evaluation and compensation of the CEO and senior management and monitoring succession planning;

e) **maintaining integrity** –reviewing and monitoring the controls and procedures within the Company to maintain the integrity and accuracy of its financial reporting, internal controls, disclosure controls, management information systems and compliance with its Conflict of Interest Policy.

f) **expectations** –ensuring that its expectations of Management are understood, that the appropriate matters come before the Board and that the Board is kept informed of shareholder feedback

g) **CEO** –reviewing and approving, upon the recommendation of the Human Resource and Compensation Committee ('HRC Committee'), the appointment, compensation, and performance of the CEO and the succession plan for him and senior managers;

h) **Selection of Board nominees** –selecting, upon the recommendation of the Governance and Nominating Committee nominees for election as directors;

i) **Compensation of non-management directors** –reviewing and approving upon the recommendation of the HRC Committee, the compensation of non-management directors, and ensuring that their compensation adequately reflects the risks and responsibilities, and time commitment involved in being an effective director;

j) **Independent functioning** –ensuring that appropriate structures and procedures are in place so that the Board and its committees can function independently of Management.

k) **Approval of key policies** –reviewing and approving the key policy statements developed by Management for issues such as conflicts of interest, compliance, communications, environment, health and safety, and public disclosure;

l) **Approval of disclosure documents** –reviewing and approving the contents of the annual information form, annual and quarterly management's discussion and analysis, news releases in connection with quarterly and annual financial results and the corresponding financial statements, and the management proxy circular;

m) **Approval of financial activities**- reviewing and approving significant capital expenditures, raising of capital, significant loans and other major financial activities;

n) **Approval of significant operations** –reviewing and approving significant reorganizations, restructuring, acquisitions, and divestitures; and

o) **Corporate governance monitoring** –developing and monitoring, through the Governance and Nominating Committee, the systems of corporate governance of the Company.

3. Composition and Procedures

a) **Size of Board and selection process** – The size of the Board must be sufficient in number to ensure diversity of skills and perspectives and to provide useful experience to the Board supervising the management of the Company as well as to staff on the various Board committees, while allowing the Board to function efficiently and effectively. The Board reviews and approves the choice of candidates for nomination and election by the shareholders. Between annual meetings, the Board may appoint directors to service until the next annual meeting.

b) **Qualifications** –Directors should have the highest personal and professional ethics and values and be committed to advancing the best interests of the shareholders of the Company. They should possess skills and competencies in areas that are relevant to the Company's activities, solid business experience, good judgment, integrity, financial literacy and the ability to allocate the necessary time and effort to perform Board and committees duties. A majority of the Board shall be composed of independent directors within the meaning of section 1.4 of National Instrument 52-110 *Audit Committee.*

c) **Majority Voting** – Forms of proxy for the vote by shareholders on the election of directors will list each nominee for director separately so as to enable shareholders to vote in favour of, or to withhold from voting for, each nominee, individually. The Board will promptly cause the outcome of each vote for the election of directors to be publicly disclosed by means of a news release or in such other manner as may be required by the Toronto Stock Exchange. If, with respect to any nominee, the number of votes withheld exceeds the number of votes in favour of the nominee, then such nominee ("Designated Nominee") is required forthwith to submit to the Board his or her resignation, to take effect upon acceptance by the Board. The Board will promptly, and in any event within 90 days, absent exceptional circumstances, accept the resignation and in making this decision, the board may request and rely on a recommendation from the Governance and Nominating Committee. That

Committee and the Board, may each consider any factors or other information that they consider appropriate and relevant in making their decision. A Designated Nominee will not participate in the deliberations of any committee or the Board with respect to his or her resignation. If the Designated Nominee is retained, the Company shall issue a news release to this effect in a timely manner which will disclose reasons for retaining the Designated Nominee. Subject to any applicable law, if the resignation of the Designated Nominee is accepted, the Board may leave the resultant vacancy unfilled until the next annual meeting of shareholders, or the board may fill the vacancy through the appointment of a new director. This majority voting policy does not apply to any nominee for election as a director of the Company for 'contested' elections; that is, where, the total number of persons nominated for election exceeds the total number of vacancies to be filled at such election of directors, as determined by the Board.

d) **Term Limits** – Those directors of the Board who are independent (as defined in Section 1.4 of NI 52-110) shall be subject to term limits of fifteen years commencing from the date of first appointment to the Board and ending on the first annual shareholder meeting held after the fifteen year anniversary of appointment. Said independent directors will, effective February 28, 2019, also be required to resign from the Board upon attaining the age of seventy. Such resignation to be effective as of the first annual shareholder meeting held after such director attains the age of seventy.

e) **Chairman of the Board –**The Board shall appoint a director to be Chairman of the Board. At all times the same person may not occupy the position of Chairman of the Board and of President and/or CEO.

f) **Director orientation –**Management is responsible for providing an orientation and education program for new directors with a view to ascertaining that all new directors fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and energy that the Company expects from its directors), and the nature and operation of the Company's business.

g) **Meetings** –The Board has at least five scheduled meetings a year. Additional meetings may be held when required. The Board is responsible for its agenda. Materials for each meeting will be distributed to the directors in advance of the meetings. At each of the five scheduled meetings, the final agenda item is an "in-camera' session which excludes management and non independent directors.

h) **Committees** –The Board has established three standing committees to assist the Board in discharging its responsibilities: the HRC Committee, the Governance and Nominating Committee and the Audit Committee. Special committees may be established from time to time to assist the Board in connection with specific matters. The chair of each committee reports to the Board following meetings of the committee.

i) **Evaluation** –The HRC Committee bears the responsibility to assess the Board's performance as a whole as well as that of individual directors, the committees of the Board and the contributions of individual directors.

j) **Compensation** –The HRC Committee recommends to the Board the compensation for non-management directors. In reviewing the adequacy and form of compensation, the committee seeks to ensure that the compensation reflects the responsibilities and risks involved in being a director of the Company and aligns the interests of the directors with the best interests of the shareholders.

k) **Access or independent advisors** –the Board, any committee and/or any director may at any time retain outside financial or legal advisors at the expense of the Company. The retention and the terms and conditions of the retention of external advisors shall receive prior approval by the HRC Committee.