

# EXCO TECHNOLOGIES LIMITED MANAGEMENT INFORMATION CIRCULAR

## SOLICITATION OF PROXIES

This 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 and special meeting of shareholders of the Corporation to be held on Wednesday, January 27, 1999, at 4:30 p.m., 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 cost of solicitation 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 him/her 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 CIBC Mellon Trust Company, 320 Bay Street, P.O. Box 1, Toronto, Ontario, M5H 4A6, not later than the close of business (Toronto time) on January 26, 1999.

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 aforesaid (2) by depositing an instrument in writing executed by him or by his attorney authorized in writing (i) 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 (ii) with the chairman of such meeting on the day of the meeting or any adjournment thereof; 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 specifications 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 in the election of directors and in the appointment of auditors and the determination of their remuneration and will be voted for the special resolutions set out in Schedule "A" and "B" to this circular authorizing amendments to the Corporation's stock option plan, as described in this 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.

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

As of the date hereof, the Corporation has outstanding 19,493,766 common shares. Each common share ("Common Share") entitles the holder of record, as of the close of business on December 18, 1998, the record date established for notice of the meeting, to one vote on all matters to come before the meeting, or any adjournment thereof, except to the extent that a person has transferred any such shares after that date and the transferee of such shares (i) establishes that he owns such shares and (ii) makes a written demand to be added to the shareholders' list, both at least 10 days before the date of the meeting, to the Secretary of the Corporation at the Corporation's registered office, in which case the transferee will be entitled to vote such shares.

Corporations owned or controlled by Brian A. Robbins and/or Trusts of which the beneficiaries are Brian A. Robbins, his wife and children beneficially own 4,250,273 Common Shares. Brian A. Robbins also beneficially owns an additional 215,127 Common Shares which together with the Common Shares referred to in the immediately preceding sentence represent approximately 23% of the issued and outstanding Common Shares. To the knowledge of the directors or officers of the Corporation, no other person beneficially owns, or exercises control or direction over more than 10% of the outstanding Common Shares.

## **ELECTION OF DIRECTORS**

The articles of the Corporation provide for a minimum of 3 and a maximum of 15 directors. By resolution of the shareholders of the Corporation dated July 22, 1998, the number of directors was set at six and the Board of Directors was empowered to determine the number of directors from time to time. The number of directors to be elected at this meeting is 6.

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 successor is elected or appointed, unless his office is earlier vacated.

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 or employments, their periods of service as directors of the Corporation or its predecessor corporation, Extrusion Machine Co. Limited, where applicable, and the number of common shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them, as of December 4, 1998.

<u>Name, Municipality and Principal Occupation</u>	<u>Director Since</u>	<u>Common Shares Owned or Controlled</u>
HELMUT HOFMANN +  Unionville, Ontario Chairman of the Board of Devtek Corp., a manufacturer of industrial products	January 1991	10, 000
ARTHUR ALBERT KENNEDY + 205,006 Toronto, Ontario Chairman of the Board of the Corporation	June 1969	
RICHARD D. McGRAW + Toronto, Ontario President and Chief Executive Officer of Vitran Corporation Inc., a transportation company	January 1992	29,100
BRIAN ANDREW ROBBINS Aurora, Ontario President and Chief Executive Officer of the Corporation	January 1972	4,465,400 (1)
ROBERT I. WERNER Retired Aventura, Florida	July 1998	13,750
RALPH J. ZARBONI Richmond Hill, Ontario President of Rossiter Ventures Corporation		-

+ Member of the Audit Committee.

(1) 4,250,273 of these shares are held by corporations owned by or on behalf of Brian A. Robbins and his family. See section headed "Voting Shares and Principal Holders Thereof".

#### **APPOINTMENT OF AUDITORS**

The persons named in the enclosed form of proxy intend to vote for the reappointment of Ernst & Young LLP, Chartered Accountants, Toronto, Ontario as auditors of the Corporation to hold office until the next annual meeting of shareholders at a remuneration to be determined by the directors of the Corporation. Ernst & Young were first appointed auditors of the Corporation on January 22, 1992.

## **AMENDMENTS TO STOCK OPTION PLAN**

### Description of Stock Option Plan

On October 21, 1992, the Corporation established a stock option plan (the "Plan") for directors, officers and key employees of the Corporation and its affiliates to be administered by the board of directors. The Plan was amended effective April 26, 1995. The maximum number of common shares which may be issued upon exercise of options granted under the Plan is 1,770,300 (after giving effect to the Corporation's three-for-two stock dividend of February 9, 1998), subject to adjustment in certain circumstances. Options may be granted from time to time by the board of directors of the Corporation at an exercise price to be determined by the board of directors, which in all cases shall not be less than the minimum price permitted by The Toronto Stock Exchange and any other exchange on which the shares may be listed.

The Board of Directors grants options under the Plan to eligible persons. The basis of awarding stock options is outlined under the heading 'Report on Executive Compensation'.

### Proposed Amendment - Increasing the Number of Shares Available Under the Plan

The Corporation wishes to amend the Plan as specified in the resolution set out in Schedule "A" attached hereto to provide that the maximum number of common shares that may be issued under the plan is 2,300,000, which is approximately 11.8 per cent of the number of common shares currently outstanding.

This amendment to the Plan has been approved by the Toronto Stock Exchange subject to the approval of shareholders of the Corporation. The resolution relating to this amendment is attached as Schedule "A" and must be approved by a majority of the votes cast on the resolution. Shares beneficially owned by directors and senior officers of the Corporation and their associates may not be voted on the resolution. To the Corporation's knowledge, as of December 4, 1998, 7,465,182 common shares were held by such persons.

### Proposed Amendment - Stock Appreciation Rights

At the time the Plan was established it did not provide for the issuance of stock appreciation rights. A stock appreciation right is the right to surrender to the Corporation all or a portion of an option in the exchange for an amount in cash equal to the excess, if any, of the fair market value of the shares represented by the option over the aggregate exercise price of the option. However, the board has concluded that the ability to issue stock appreciation rights can be an important element in designing appropriate compensation packages for the Corporation's management and, accordingly, has approved amendments to the Plan to permit the issuance of stock appreciation rights in connection with the grant of any option for shares.

This amendment to the Plan has been approved by The Toronto Stock Exchange subject to the approval of shareholders of the Corporation. The resolution relating to this amendment to the Plan is attached as Schedule B and must be approved by a majority of the votes cast on the resolution. Shares beneficially owned by directors and senior officers of the Corporation and their associates may not be voted on on this resolution. To the Corporation's knowledge, as of December 4, 1998, 7,465,182 common shares were held by such persons.

## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table provides a summary of compensation earned during each of the last three fiscal years by the Chief Executive Officer, the four most highly compensated executive officers who served as executive officers of the Company at the end of the fiscal year ended September 30, 1998, (the "Named Executive Officers"). The number of shares and values indicated in the tables and text which follow have been adjusted for the stock dividend paid to shareholders of record February 9, 1998.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (1) (\$)	Long-Term Compensation	All Other Compensation (\$)
					Awards	
					Securities under Options and SARs Granted (#)	
Brian A. Robbins President & Chief Executive Officer	1998	345,628	338,386	Nil	32,286	Nil
	1997	335,628	261,558	Nil	16,097	Nil
	1996	326,878	231,713	Nil	Nil	Nil
Jan M. Tesar President, Die-Cast Tooling Division	1998	266,350	600,949	Nil	64,571	Nil
	1997	258,625	450,236	Nil	30,000	Nil
	1996	251,058	435,592	Nil	Nil	Nil
Lawrence C. Robbins President, Alu-Die Division	1998	269,925	-	Nil	-	Nil
	1997	262,125	58,692	Nil	7,385	Nil
	1996	254,645	27,050	Nil	2,844	Nil
Gabriel Piccinin, President, Exco Extrusion Dies Division (2)	1998	212,215	142,724	Nil	8,831	Nil
Scott E. Bond Vice-President Finance and Chief Financial Officer	1998	172,500	112,693	Nil	32,286	Nil
	1997	162,500	87,186	Nil	16,097	Nil
	1996	153,750	60,721	Nil	13,934	Nil

(1) The value of annual perquisites and benefits for each of the Named Executive Officers did not exceed the lesser of \$50,000 and 10% of the total annual salary and bonus, and is not reported herein.

(2) Mr. Piccinin was appointed during 1998 and the figures shown are for the 1998 fiscal year.

Option Grants During the Most Recently Completed Financial Year  
or Issued in Lieu of Annual Bonuses in Respect of That Year

Name	Securities Under Options/SARs Granted (#)	% of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Brian A. Robbins	32,286	17.7	7.00	7.00	October 28, 2008
Jan M. Tesar	64,571	35.3	7.00	7.00	October 28, 2008
Gabriel Piccinin	8,831	4.8	7.00	7.00	October 28, 2008
Scott E. Bond	32,286	17.7	7.00	7.00	October 28, 2008

Aggregated Option Exercises During the Most Recently Completed  
Financial Year and Financial Year-end Option Values

The following table summarizes for each of the Named Executive Officers, the number of stock options exercised during the financial year ended September 30, 1998, the aggregate value realized upon the exercise and the total number and value of unexercised options held at September 30, 1998.

Name	Shares Acquired On Exercise	Aggregate Value Realized (1) (\$)	Unexercised Options/SARs at FY-End (#) Exercisable/ Unexercisable	Value of Unexercised in-the-Money Options/SARs at FY-End (2) (\$) Exercisable/ Unexercisable
Brian A. Robbins	0	0	96,874 / 92,965	248,130 / 86,090
Jan M. Tesar	9,000	73,080	108,000 / 204,071	166,500 / 174,018
Lawrence C. Robbins	9,000	70,080	1,902 / 11,660	1,791 / 3,001
Gabriel Piccinin	6,000	46,740	9,236 / 21,827	14,831 / 14,873
Scott E. Bond	0	0	71,844 / 95,616	112,284 / 60,132

(1) Aggregate value realized is the difference between the market value, based on the closing price of the common shares on The Toronto Stock Exchange on the exercise date and, respectively, the exercise or base price of the option or SAR.

(2) Aggregate value of unexercised in-the-money options/SARs at financial year end is the difference between the market value of the underlying common shares at financial year end, based on the closing price of the common shares on The Toronto Stock Exchange, and, respectively, the exercise or base price of the option or SAR.

### Composition of Compensation Committee

The Committee consists of four directors, one of whom is an officer of the Corporation, namely the Chairman, Arthur A. Kennedy, and three of whom are outside directors, W. Scott Brown, Helmut Hofmann and Richard D. McGraw. To assist it in achieving its goals, the Committee calls on the assistance of compensation consultants from time to time.

### Report on Executive Compensation

The Compensation Committee is responsible for recommending, for approval by the Board of Directors, the remuneration package of the senior officers of the Company.

The remuneration of the senior officers of the Company consists of three components: base salary, the annual bonus incentive program and a long-term incentive program which, to date, has been in the form of a stock option plan.

The Company pays base salaries that are competitive with salaries paid for similar positions within the North American marketplace.

The annual bonus incentive program is a program designed to compensate the Named Executive Officers for the financial performance of the operations for which they are responsible. Accordingly, the annual bonus payable is based upon a percentage of the pre-tax profit of the relevant operation(s).

Stock options align the interests of the senior officers of the Company with the shareholders since the options have no value to the senior officers unless the price of the Company's stock increases. Stock options are awarded based on both the performance of the individuals awarded such options and can also be "purchased" in lieu of receiving a portion of an annual cash bonus earned in a year. Stock options acquired in lieu of annual bonuses may be converted into stock appreciation rights at the option of the employee on date of exercise.

The remuneration of the chief executive officer is on the same basis as the other senior officers of the Company as described above.

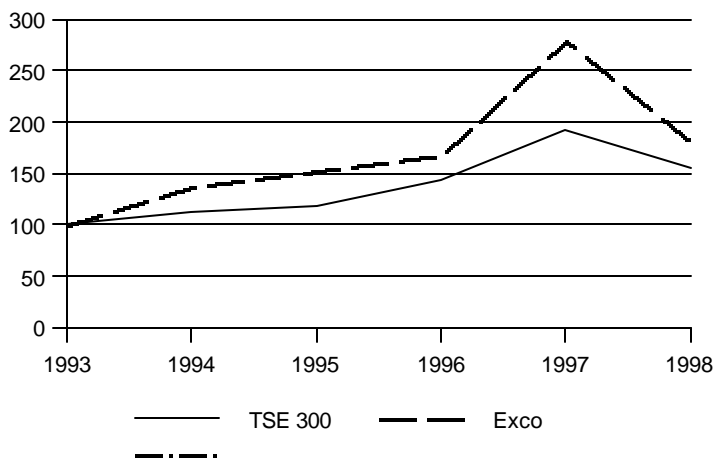
The performance of the Company and continued growth in the value of its shares is dependent on striking a balance between short-term and long-term objectives. The Compensation Committee believes that the remuneration of its key people should mirror these objectives. The Committee believes that the Company's remuneration package consisting of competitive base salaries, annual bonus incentive program and its stock option plan achieves this goal.

Submitted by the Compensation Committee of the Board of Directors.

Arthur A. Kennedy - Chairman of the Board  
W. Scott Brown  
Helmut Hofmann  
Richard D. McGraw

## 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, 1993 to September 30, 1998 compared with the return on the TSE 300 Total Return Index.



	Sept 30/93	Sept 30/94	Sept 30/95	Sept 30/96	Sept 30/97	Sept 30/98
TSE 300	100	112	119	143	193	156
Exco	100	138	154	169	279	181

## REMUNERATION OF DIRECTORS

In fiscal 1998, the aggregate compensation received by the members of the board, from the Corporation and its subsidiaries, as directors, was \$69,481.

The directors, other than Brian A. Robbins, hold in the aggregate 141,000 stock options pursuant to the Corporation's Stock Option Plan.

The Corporation has taken out directors' and officers' liability insurance in an amount of \$5,000,000 for annual premiums of approximately \$9,666. The Corporation will pay the first \$10,000 of any claim made under the policy.

## CORPORATE GOVERNANCE

The Board of Directors approved the analysis of Corporate Governance outlined below in its meeting on December 4, 1998. Because of the relatively small size of the Corporation's Board (6 members), a separate Corporate Governance Committee was not deemed necessary. In fact, the size of the Board allows it to function with only two Committees, the Audit Committee and Compensation Committee. All Board members, with the exception of the President and Chief Executive Officer and Robert Werner, are members of the Audit and Compensation Committees. The Board considers its size appropriate for effective decision making.



The Corporation's Board of Directors assumes responsibility for stewardship of the Corporation. At regularly scheduled meetings (six in 1998), members of the Board receive and discuss reports prepared by management on the Corporation's overall financial position, each of its operating divisions, its strategic plan and operating risks. In addition, developments and issues of current relevance are reviewed. Although the Corporation does not have a communications policy, the Board regularly reviews formal communication to shareholders and others. Management meets periodically with its larger shareholders.

The Board, from time-to-time, considers succession issues and takes responsibility for appointing senior management and reviewing compensation of senior management. Plant Managers regularly attend informal meetings with the Board frequently held at operating divisions. This practice provides non-executive members of the Board direct access to management and the operations, helping them assess key people and better understand the Corporation's business. In addition, this practice assists the Board in assessing the effectiveness of the President and Chief Executive Officer. The Board of Directors engages outside advisers from time-to-time at the Corporation's expense, particularly for the purpose of advising it on compensation matters.

The Board, directly and through its Audit Committee, assesses the integrity of the Corporation's internal control and management information systems. The Audit Committee has direct access to the Corporation's external auditors and the external auditors have direct access to the Audit Committee.

The Board is constituted with a majority of individuals who qualify as unrelated directors. In addition, the Board does not have a significant shareholder, i.e. a shareholder with the ability to exercise the majority of votes for the election of the Board, and a majority of directors do not have other interests or relationships with the Corporation. The Chairman of the Board is not a member of management.

Any member of the Board can recommend new members for the Board. Provided there is a consensus amongst all Directors, the prospective member will be proposed for election at the next annual meeting of shareholders. With regard to orientation, new Board members receive background information as well as a tour of the operations by the President & Chief Executive Officer.

## **GENERAL**

Information contained herein is given as of December 4, 1998. The management of the Corporation knows of no matter to come before the annual and special 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.

Dated December 18, 1998.

Anne Himelfarb  
Secretary

**Schedule "A"**

**Resolution Relating To Amendment to the Stock Option Plan**

**BE IT RESOLVED THAT:**

1. Paragraph 2.2 of the Stock Option Plan (the "Plan") of the Corporation be and it is hereby amended to increase the number of shares which may be issued under the Plan to 2,300,000, and
2. any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.

## Schedule "B"

### Resolution Relating to Amendment to the Stock Option Plan to provide for Stock Appreciation Rights

#### BE IT RESOLVED THAT:

1. The Stock Option Plan (the "Plan") of the Corporation be and is hereby amended by:

(a) adding the following definition to Section 1.1 of the Plan following the definition of "Company":

**"Fair Market Value"** means the closing price of Shares on The Toronto Stock Exchange at the close of business on the trading day preceding the date of grant. If such exchange was not open for trading on that date, Fair Market Value is to be determined by reference to the last preceding date on which the exchange was open for trading."

(b) adding the following immediately following subsection 2.2(b):

"(c) Shares subject to options which are not issued by reason of the exercise of a Stock Appreciation Right in respect of such shares shall not be available for further grants or awards under the Plan."

(c) adding the following section immediately following Section 2.10:

#### **"2.11 Stock Appreciation Rights**

(a) Subject to the provisions of the Plan, the Committee may grant Stock Appreciation Rights in connection with the grant of any Option for Shares. Each Stock Appreciation Right shall be subject to such other terms and conditions as the Board shall determine.

A Stock Appreciation Right means the right to surrender to the Company all or a portion of an Option in exchange for an amount equal to the excess, if any, of (i) the Fair Market Value, as of the date such Option or portion thereof is transferred and surrendered, of the Shares covered by such Option or portion thereof, and (ii) the aggregate exercise price of such Option or portion thereof, relating to such Shares.

(b) Stock Appreciation Rights shall be exercisable only at the same time, by the same persons and to the same extent that the Option related thereto is exercisable. Upon exercise of any Stock Appreciation Right, the corresponding portion of the related Option shall be surrendered to the Corporation and cancelled.

(c) A Stock Appreciation Right shall be transferable, other than in the case of a transfer to the Corporation, only in the manner and to the extent that the related Option is transferable.

(d) Payment of the amount to which a holder is entitled upon the exercise of a Stock Appreciation Right shall be made in cash."

and all numbered paragraphs in Section 2 shall be consequently renumbered.

(d) deleting the words "Paragraph 2.11" in the second line of Section 2.12 and substituting "Paragraph 2.12" therefor.

2. any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing.

# EXCO TECHNOLOGIES LIMITED

## SUPPLEMENTAL MAILING LIST

National Policy Statement No. C-41 allows an exemption to the company from sending interim financial statements to its shareholders, under conditions as included in Section 8 and 9 of the policy.

If you wish to be included in the company's supplemental mailing list and be entitled to receive interim financial statements, we ask that you complete the following and return to:

The CIBC Mellon Trust Company  
320 Bay Street  
P.O. Box 1  
Toronto, Ontario  
M5H 4A6

Attention: SHAREHOLDER MAINTENANCE

I HEREBY confirm that I am a shareholder of the Company, and as such, request that you add my name to your supplemental mailing list.

The supplementary list will be updated each year, and therefore, a Return Letter will be required annually in order to receive interim financial statements.

PLEASE PRINT YOUR NAME AND ADDRESS

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(Mr.) (Mrs.) (Miss) (First Name) (Last Name)

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(Street Address and Number)

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(City) (Province) (Postal Code)

I certify that I am a beneficial shareholder.

Signature: \_\_\_\_\_

MEETING DATE: January 27, 1999

# EXCO TECHNOLOGIES LIMITED

130 Spy Court  
Markham, Ontario L3R 5H6

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual and special meeting of the shareholders of EXCO TECHNOLOGIES LIMITED (the "Corporation") will be held at the Design Exchange, 234 Bay Street, Toronto, Ontario on Wednesday, the 27th day of January, 1999 at the hour of 4:30 o'clock in the afternoon, Toronto time, for the following purposes.

1. To receive the annual report and the financial statements of the Corporation for the year ended September 30, 1998, together with the report of the auditors thereon;
2. To elect directors;
3. To appoint auditors and to authorize the directors to fix the said auditors' remuneration;
4. To consider, and if deemed appropriate, approve a resolution amending the Corporation's stock option plan to increase the number of shares available under the plan to 2,300,000.
5. To consider, and if deemed appropriate, approve a resolution amending the Corporation's stock option plan to provide for the issuance of stock appreciation rights.

The accompanying circular provides additional information relating to the matters to be dealt with at the meeting and is deemed to form part of this notice.

DATED at Toronto this 18th day of December, 1998.

By Order of the Board

Anne Himelfarb  
Secretary

Proxies to be used at the meeting must be deposited with the Corporation or its transfer agent and registrar, The CIBC Mellon Trust Company, Corporate Trust Services, 320 Bay Street, P.O. Box 1, Toronto, Ontario, M5H 4A6 prior to the commencement of the meeting. Shareholders who are unable to be present at the meeting are requested to date, sign and return the accompanying form of proxy and mail the same to CIBC Mellon Trust in the envelope provided for that purpose.



**EXCO TECHNOLOGIES LIMITED**  
**PROXY**  
**1998 ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

January 27, 1999 at 4:30 p.m.  
Design Exchange  
234 Bay Street, Toronto, Ontario

The undersigned shareholder of Exco Technologies Limited hereby appoints Arthur A. Kennedy, or failing him, Brian A. Robbins, both being directors of the Corporation, or instead of either of the foregoing \_\_\_\_\_ as nominee of the undersigned, to vote and act for the undersigned **at the annual and special meeting of shareholders called for the 27th of January, 1999 and at all adjournments thereof**, upon the following matters;

- (1) VOTE { } WITHHOLD VOTE { } in the election of directors;
- (2) VOTE { } WITHHOLD VOTE { } in the appointment of auditors and in authorizing the directors to fix their remuneration;
- (3) Such other business as may properly come before the meeting.
- (4) VOTE FOR { } VOTE AGAINST { } the resolution set out in Schedule "A" to the accompanying Management Information Circular amending the Corporation's stock option plan to increase the number of shares under the Plan to 2,300,000.
- (5) VOTE FOR { } VOTE AGAINST { } the resolution set out in Schedule "B" to the accompanying Management Information Circular amending the Corporation's stock option plan to provide for the issuance of stock appreciation rights.

Name of Shareholder \_\_\_\_\_ Date \_\_\_\_\_  
Signature \_\_\_\_\_ If the proxy is not dated, it is deemed to bear the date on which it was mailed by the Corporation.

Notes

- (a) **A shareholder has the right to appoint a person to represent him at the meeting other than the persons designated in this proxy. Such right may be exercised by inserting in the space provided the name of the other person the shareholder wishes to appoint.**
- (b) To be valid, the attached proxy should be signed, dated and deposited with The CIBC Mellon Trust Company not later than the close of business (Toronto time) on January 26, 1999.
- (c) Individuals and partnerships - sign exactly as shares are registered.
- (d) Corporations - insert name of corporation, signature of officer, indicate office held and affix corporate seal.
- (e) Executors, Trustees or Other Representatives - if shares are registered in the name of the executor, administrator or trustee, please sign exactly as registered. If shares are registered in the name of the deceased or other shareholder, the shareholder's name must be printed in the space provided, the proxy must be signed by the legal representative with his name printed below his signature and evidence of authority to sign on behalf of the shareholder must be attached to this proxy.
- (f) If a share is held by two or more persons, any one of them present or represented by proxy at a meeting of shareholders may, in the absence of the others, vote in respect thereof, but if more than one of them are present or represented by proxy they shall vote together in respect of the share so held.
- (g) Reference is made to the accompanying Management Information Circular for further information regarding completion and use of the attached proxy and other information pertaining to the same meeting.

**This proxy is solicited  
on behalf of management.**

EXCO TECHNOLOGIES LIMITED { }

FORM OF PROXY

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