



IBEX TECHNOLOGIES INC.

**ADDENDUM TO MANAGEMENT PROXY CIRCULAR DATED FEBRUARY 23,
2024 IN CONNECTION WITH THE ANNUAL AND SPECIAL MEETING OF
SHAREHOLDERS TO BE HELD ON WEDNESDAY, APRIL 3, 2024 AT
10:00 A.M. (EASTERN TIME)**

This Addendum is important and requires your immediate attention. If you have questions or require assistance with voting your shares, you may contact IBEX's proxy solicitation agent:

Laurel Hill Advisory Group

North American Toll-Free Number: 1-877-452-7184

Outside North America: 1-416-304-0211

Email: assistance@laurelhill.com

All terms used in this Addendum dated March 13, 2024 and not otherwise defined have the same meaning as in the Management Proxy Circular dated February 23, 2024.

The following is hereby added to the Circular:

Securities Law Matters

IBEX is a reporting issuer in all of the provinces of Canada and, accordingly, is subject to applicable Securities Laws of such provinces. The securities regulatory authorities in certain of the provinces of Canada have adopted Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) which regulates certain types of special transactions to ensure equality of treatment among security holders and may require enhanced disclosure, approval by a majority of security holders (excluding interested parties or related parties of interested parties), independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors. The protections afforded by MI 61-101 apply to, among other transactions, “business combinations” as defined in MI 61-101, in which the interest of holders of equity securities may be terminated without their consent. The Amalgamation is a business combination within the meaning of MI 61-101. In general, MI 61-101 requires that in the event of a business combination, the issuer must obtain a formal valuation and cannot carry out the business combination unless the issuer has obtained minority approval for it under Part 8 of MI 61-101.

The Amalgamation is exempt from the formal valuation requirement of MI 61-101 under section 4.4(1)(a) thereof in that no securities of IBEX are listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. To the knowledge of the directors and officers of IBEX, after reasonable enquiry, there have been no prior valuations, as defined in MI 61-101, prepared in respect of IBEX within the 24 months preceding the date of the Circular.

Minority Approval of the Amalgamation Resolution

Under the CBCA, the requisite approval for the Amalgamation Resolution will be two-thirds of the votes cast by the Shareholders present in person or represented by proxy at the Meeting. In addition, MI 61-101 requires that a business combination such as the Amalgamation be subject to “minority approval”, as defined in MI 61-101, of every class of “affected securities”, as defined in MI 61-101, of the issuer, in each case voting separately as a class. Consequently, pursuant to MI 61-101, approval of the Amalgamation Resolution requires the affirmative vote of a simple majority (50% +1) of the votes cast by all holders of Shares present in person or represented by proxy at the Meeting and entitled to vote, other than by “interested parties” and their “related parties” and “joint actors”, all as defined in MI 61-101.

To the knowledge of the directors and executive officers of IBEX, the only Shareholder whose Shares will be excluded for the purposes of such minority approval vote is Paul Baehr, Chairman, President and Chief Executive Officer of the Corporation, for the reasons set out below. As disclosed in the Circular, Mr. Baehr held 2,456,477 Shares on the Record Date, representing 10.02% of the outstanding Shares.

Collateral Benefit

A “collateral benefit”, as defined under MI 61-101, includes any benefit that a “related party” of the Corporation, which includes the directors and “senior officers” (as defined under MI 61-101) of the Corporation, is entitled to receive as a consequence of the Amalgamation, including, without limitation, an increase in salary, a lump-sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, director or consultant of the Corporation. MI 61-101 excludes from the meaning of “collateral benefit” certain benefits to a “related party” received solely in connection with the related party’s services as an employee, director or consultant of an issuer or an affiliated entity of the issuer or a successor to the business of the issuer where, among other things, (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction, (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner, (c) full particulars of the benefit are disclosed in the disclosure document for the transaction, and (d) at the time the transaction was agreed to, the related party and its associated entities beneficially owned or exercised control or direction over less than 1% of the outstanding shares of the issuer.

As disclosed in the Circular under “Statement of Executive Compensation – Termination and Change of Control Benefits”, Paul Baehr may terminate his employment agreement with IBEX at any time within 180 days of the effective date of a change of control upon not less than 30 days’ written notice to the Corporation and in the event that Mr. Baehr so terminates his employment agreement, he will be entitled to an amount equal to two years’ base salary and continuation for a period of two

years of any benefits which he has at the time of termination. The Amalgamation will constitute a change of control as defined in Mr. Baehr's employment agreement. As disclosed in the Circular under "Benefits from the Amalgamation", Mr. Baehr has entered into an Executive Employment Agreement dated February 9, 2024 with the Buyer for a term of one year, commencing on the Effective Date. The Executive Employment Agreement provides in effect that Mr. Baehr will receive a payment from IBEX in an amount of \$734,568 on the Effective Date, equal to two years' base salary under his current employment agreement, but does not provide for a continuation of Mr. Baehr's benefits beyond the expiry of the one-year term. The Executive Employment Agreement provides that Mr. Baehr will receive a gross base salary of \$367,284, equal to his salary from IBEX for the fiscal year ended July 31, 2023 without taking into account the waiver by Mr. Baehr of \$89,042 of this amount. The Executive Employment Agreement also provides that Mr. Baehr will be paid \$265,000 as a lump-sum amount at the expiry of the one-year term provided that Mr. Baehr is an employee at that time. Mr. Baehr will participate in group insurance and profit-sharing plans but unlike his current employment agreement with IBEX will not be entitled to post-employment follow-on benefits. The Executive Employment Agreement does not provide for a grant of stock options or other incentive securities to Mr. Baehr, a component of Mr. Baehr's compensation from IBEX as described in the Circular.

As disclosed in the Circular under "Statement of Executive Compensation – Termination and Change of Control Benefits", Mahendra Pallapothu, Vice-President Operations of IBEX Pharmaceuticals Inc., a wholly-owned subsidiary of the Corporation, may terminate his employment agreement with IBEX at any time within 180 days of the effective date of the change of control upon not less than 30 days' written notice to the Corporation. In the event that Mr. Pallapothu so terminates his employment agreement, he will be entitled to twelve months' notice or an amount equal to twelve months' base salary plus continuation for a period of six months of any benefits which he has at the time of termination. The Amalgamation will constitute a change of control as defined in Mr. Pallapothu's employment agreement. As disclosed in the Circular under "Benefits from the Amalgamation", Mr. Pallapothu entered into an Executive Employment Agreement dated February 9, 2024 with the Buyer for an indeterminate term, commencing on the Effective Date. The Executive Employment Agreement provides in effect that Mr. Pallapothu will receive a payment from IBEX in an amount of \$135,379 on the Effective Date, equal to approximately six months' salary. The Executive Employment Agreement provides that Mr. Pallapothu will receive a gross base salary of \$280,133 per annum compared to his salary of \$272,248 from IBEX for the fiscal year ended July 31, 2023. The Executive Employment Agreement also provides that Mr. Pallapothu will be paid \$200,000 as a lump-sum amount at the expiry of the one-year term provided that Mr. Pallapothu is an employee at that time. Mr. Pallapothu will participate in group insurance and profit-sharing plans. The Executive Employment Agreement does not provide for a grant of stock options or other incentive securities to Mr. Pallapothu, a component of Mr. Pallapothu's compensation from IBEX as described in the Circular.

The foregoing payments to Mr. Pallapothu do not constitute a collateral benefit under MI 61-101 as, among other things, Mr. Pallapothu beneficially owned or exercised control or direction over less than 1% of the outstanding Shares at the time that the Acquisition Agreement was signed.

All five independent directors of the Corporation (Christine Charette, Bruce Connop, Robert J. DeLuccia, Danilo Netto and Joseph Zimmermann) and all three senior officers of the Corporation (Paul Baehr, Belinda Franco and Mahendra Pallapothu) hold stock options under the IBEX Option Plan. Of these, Paul Baehr (2,456,477 Shares, representing 10.02% of the outstanding Shares), Robert J. DeLuccia (68,000 Shares, representing 0.28% of the outstanding Shares) and Danilo Netto (21,500 Shares, representing 0.09% of the outstanding Shares) owned Shares as of the Record Date.

If the stock options are exercised prior to the Effective Date and the Amalgamation is completed, such directors and senior officers will be entitled to receive the Redemption Amount of \$1.45 in cash for each Share issued upon the exercise of stock options. The Redemption Amount in respect of such Shares may be considered to be a "collateral benefit" received by the applicable directors and senior officers of the Corporation for the purposes of MI 61-101. Further, IBEX may make short-term, interest-bearing loans to the directors and senior officers to finance the exercise of their stock options, which loans will be repaid from the Redemption Amount.

The Board of Directors has determined that foregoing payments and short-term loans do not constitute a collateral benefit under MI 61-101 for the directors and senior officers, with the exception of Paul Baehr as, among other things, each of the directors and senior officers, other than Paul Baehr, beneficially owned or exercised control or direction over less than 1% of the outstanding Shares at the time that the Acquisition Agreement was signed. As a result, Shares held by directors and senior officers, with the exception of Paul Baehr, will not be excluded from the "minority approval" vote on the Amalgamation Resolution.

Accordingly, to the knowledge of the directors and senior officers of IBEX, after reasonable inquiry, the 2,456,477 Shares beneficially owned by Paul Baehr on the Record Date, representing 10.02% of the issued and outstanding Shares, are the only Shares that will be excluded from the "minority approval" vote described above.

Interest of Certain Persons in the Amalgamation

In considering the determinations and recommendations of the Board of Directors with respect to the Amalgamation, Shareholders should be aware that the directors and officers of IBEX have interests or benefits in connection with the Amalgamation, including those referred to below, that may present them with actual or potential conflicts of interest in connection with the Amalgamation.

The following table sets out the number of Shares and stock options held by each of the directors of the Corporation and Named Executive Officers, the total number of Shares and stock options held by each, the total Redemption Amount that each will receive on the Effective Date assuming the exercise of all stock options prior thereto, the aggregate exercise price of the stock options, and the net amount to be realized by each. As set out in the Circular, the exercise price of the stock options in each case is less than the Redemption Amount, such that all stock options are “in the money” when compared to the Redemption Amount.

Name	Number of Shares	Number of Stock Options	Total Number of Shares and Stock Options	Total Redemption Amount	Aggregate Exercise Price of Stock Options	Net Amount
Paul Baehr	2,456,477	375,000	2,831,477	\$4,105,642	\$55,500	\$4,050,142
Christine Charette	—	75,000	75,000	\$108,750	\$36,000	\$72,750
Bruce Connop	—	150,000	150,000	\$217,500	\$51,000	\$166,500
Robert J. DeLuccia	68,000	235,000	303,000	\$439,350	\$63,975	\$375,375
Belinda Franco	—	75,000	75,000	\$108,750	\$36,000	\$72,750
Danilo Netto	21,500	200,000	221,500	\$321,175	\$57,750	\$263,425
Mahendra Pallapothu	—	300,000	300,000	\$435,000	\$43,500	\$391,500
Joseph Zimmermann	—	150,000	150,000	\$217,500	\$51,000	\$166,500

All directors and officers of IBEX will receive, for each Share held by them, the Redemption Amount on the same terms and conditions as all other Shareholders, as will their respective associates and affiliates, to the extent applicable.

To the knowledge of the directors and officers of the Corporation, after reasonable inquiry, no Shares or other securities of the Corporation are owned, directed or controlled by any associates or affiliates of the foregoing directors or Named Executive Officers.

Bona Fide Offers

MI 61-101 requires that any *bona fide* prior offer that relates to the subject matter of or is otherwise relevant to the Amalgamation, which offer was received by IBEX during the 24 months before the Acquisition Agreement was agreed to, and a description of the offer and the background to the offer be disclosed in the Circular. IBEX has not received any other *bona fide* prior offers during this time period.

Dividends

IBEX did not pay any dividends during the two years preceding the date of the Acquisition Agreement.

Previous Distributions

IBEX did not distribute any Shares during the five years preceding the date of the Circular other than 50,000 Shares issued on February 4, 2021 upon the exercise of stock options by one person under the IBEX Option Plan.

Authorization

The contents of this Addendum have been approved by the Board of Directors of IBEX.

DATED at Montréal, Québec, this 13th day of March 2024.

(signed) Paul Baehr
Chairman, President and Chief Executive Officer