



May 24, 2016

Dear Shareholder,

It is our pleasure to invite you to attend the annual meeting of shareholders (the “Meeting”) of Imaflex Inc., which this year will be held on Monday, June 20, 2016 at 3:00 p.m. (Montréal time) at the offices of Lavery, de Billy, L.L.P., 1 Place Ville Marie, Suite 4000, Montréal, Québec, H3B 4M4. The Notice of Meeting and related material are enclosed.

We wish all shareholders to be represented at the Meeting. If you are unable to attend the Meeting, please complete, date, and return the accompanying form of proxy in the envelope provided. Even if you plan to attend the Meeting, you can conveniently express your views in advance by returning a completed form of proxy.

We look forward to seeing you at the Meeting.

Yours very truly,

(s) Joseph Abbandonato

President and Chief Executive Officer
and Chairman of the Board of Directors

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND

MANAGEMENT PROXY CIRCULAR

IMAFLEX INC.

IMAFLEX inc.

This Management Proxy Circular is provided in connection with the solicitation by the management of Imaflex Inc. of proxies to be voted at the Annual Meeting of the shareholders of the Corporation to be held on June 20, 2016 at 3:00 p.m. (Montréal time) at the offices of Lavery, de Billy, L.L.P., 1 Place Ville Marie, Suite 4000, Montréal, Québec, H3B 4M4.

Dated May 24, 2016

IMAFLEX INC.

5710 Notre-Dame Street West
Montréal, Québec, H4C 1V2

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the annual meeting (the “**Meeting**”) of the holders of common shares (the “**Common Shares**”) of Imaflex Inc. (the “**Corporation**”) will be held on June 20, 2016 at 3:00 p.m. (Montréal time) at the offices of Lavery, de Billy, L.L.P., 1 Place Ville Marie, Suite 4000, Montréal, Québec, H3B 4M4, for the following purposes:

1. To receive the Corporation’s audited consolidated financial statements for the year ended December 31, 2015 and the related report of the auditors;
2. To elect the Corporation’s directors;
3. To appoint the auditors of the Corporation for the ensuing year, and authorize the directors to fix their remuneration; and
4. To transact such other business as may properly be brought before the Meeting or at any adjournment thereof.

A management proxy circular (the “**Circular**”), form of proxy (the “**Form of Proxy**”), and return envelope accompany this notice of Meeting (the “**Notice of Meeting**”).

Shareholders may exercise their rights by attending the Meeting or by completing a Form of Proxy. Should you be unable to attend the Meeting, kindly complete and sign the enclosed Form of Proxy and return same as soon as possible in the envelope provided herein. Your Common Shares will be voted in accordance with your instructions as indicated on the Form of Proxy. Please note that said Form of Proxy will not be valid unless it is received at the offices of Computershare Investor Services Inc. (“**Computershare**”), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, no later than 3:00 p.m. (Eastern Time) on June 16, 2016 or 48 hours (excluding Saturdays, Sundays and holidays) prior to the time to which the Meeting may be adjourned. A person appointed as proxy need not be a shareholder of the Corporation.

Notice is also hereby given that the Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on May 16, 2016 (the “**Record Date**”). Only holders of Common Shares as of the Record Date are entitled to receive notice of the Meeting. Shareholders will be entitled to vote their Common Shares at the Meeting.

SIGNED in Montréal, Québec, this May 24, 2016

BY ORDER OF THE BOARD OF DIRECTORS

Per: (s) *Joseph Abbandonato*
**President and Chief Executive Officer and
Chairman of the Board of Directors**

IMAFLEX INC.

ANNUAL MEETING OF SHAREHOLDERS
to be held on June 20, 2016

MANAGEMENT PROXY CIRCULAR

Solicitation of Proxies

This management proxy circular (the “Circular”) is furnished in connection with the solicitation by the management of Imaflex Inc. (the “Corporation”) of proxies to be used at the annual meeting (the “Meeting”) of the holders (the “Shareholders”) of common shares (the “Common Shares”) of the Corporation to be held at the time and place and for the purposes set forth in the accompanying notice of meeting (“Notice of Meeting”) and in this Circular. Solicitation of proxies will be primarily by mail, but may also be by telephone or oral communication by the directors and officers of the Corporation, at no additional cost. The cost of the solicitation of proxies will be borne by the Corporation.

The Corporation may also reimburse brokers and other persons holding shares in their own name or in the names of their nominees for their expenses in sending proxies and proxy materials to the beneficial owners, and obtaining their proxies, but solicitations will not be made by employees engaged for that purpose or by soliciting agents.

Appointment and Revocation of Proxies

An instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or his attorney duly authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney thereof.

The persons named in the Form of Proxy accompanying the Notice of Meeting (the “Form of Proxy”) are officers and/or directors of the Corporation. **A Shareholder submitting a Form of Proxy shall have the right to appoint a person, other than the person or persons designated in the Form of Proxy furnished by the Corporation, to represent the Shareholder at the Meeting. To exercise this right, the Shareholder must either insert the name of the desired representative in the blank space provided in the Form of Proxy and by striking out the names printed on the form or submit another proxy.** A Form of Proxy will not be valid unless it is received at the offices of Computershare Investor Services Inc. (“Computershare”), 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, no later than 3:00 p.m. (Eastern Time) on June 16, 2016 or 48 hours (excluding Saturdays, Sundays and holidays) prior to the time to which the Meeting may be adjourned.

A person giving a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney duly authorized, and delivered to the offices of Computershare, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which such Form of Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deliveries the Form of Proxy shall be revoked.

Validity of Form of Proxy

The By-Laws of the Corporation provide that a proxy or an instrument appointing a duly authorized representative of the Corporation shall be in writing, under the hand of the appointee or his attorney duly authorized in writing, or, if such appointor is a corporation, either under its seal or under the hand of an officer or attorney duly authorized for that purpose.

Voting by Proxy

Shares represented by a proxy are to be voted or withheld from voting on any ballot by the proxy named in the enclosed Form of Proxy in accordance with the instructions of the Shareholders. If no instructions are indicated, these shares will be voted IN FAVOUR of the matters referred to in the accompanying notice of meeting. The enclosed Form of Proxy confers discretionary authority on the persons named therein with respect to matters not specifically mentioned in the Notice of Meeting and which may properly come before the Meeting.

As at the date of this Circular, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting, other than those matters referred to in the Notice of Meeting.

Beneficial Shareholders

Only registered holders of Common Shares of the Corporation, or the persons they appoint as their proxies, are permitted to vote at the Meeting. However, in many cases, Common Shares of the Corporation beneficially owned by a holder (a “**Beneficial Shareholder**”) are registered either:

- (A) in the name of an intermediary (an “**Intermediary**”) that the Beneficial Shareholder deals with in respect of the shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds and registered educational savings plans and similar plans; or
- (B) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“**CDS**”)) of which the Intermediary is a participant.

In accordance with the requirements of *Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice of Meeting, this Circular, the Form of Proxy and the Corporation's audited consolidated financial statements for the fiscal year ended December 31, 2015 accompanied by management's discussion and analysis (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Beneficial Shareholders.

Intermediaries are required to forward Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Beneficial Shareholders. Generally, Beneficial Shareholders who have not waived the right to receive Meeting Materials will either:

- (A) be given a proxy which has already been signed by the Intermediary (typically by facsimile, stamped signature) which is restricted as to the number of shares beneficially owned by the Beneficial Shareholder but which is otherwise uncompleted. This Form of Proxy need not be signed by the Beneficial Shareholder. In this case, the Beneficial Shareholder who wishes to submit a proxy should otherwise properly complete the Form of Proxy and deposit it with Computershare as described above; or
- (B) more typically, be given a voting instruction form that must be completed and signed by the Beneficial Shareholder in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting form by telephone).

The purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the shares they beneficially own. Should a Beneficial Shareholder who receives either a Form of Proxy, a proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial Shareholder should strike out the names of the persons named in the proxy and insert the Beneficial Shareholder (or such other corresponding directions on the form). **In either case, Beneficial Shareholders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the proxy authorization form is to be delivered, and their service companies.**

Interest of Certain Persons in Matters to be Acted Upon

No director or officer, past or present or any person on behalf of whom this solicitation is made, has any interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the normal business of the Meeting or the general affairs of the Corporation.

Voting of Common Shares and Principal Holders thereof

As of the date hereof, there are 49,638,637 Common Shares of the Corporation issued and outstanding, each of which entitles its holder thereof to one vote at the Meeting. Only Shareholders registered at the close of business on May 16, 2016 are entitled to receive notice of and to vote at the Meeting.

The following table lists those persons who own or are known to the Corporation to own beneficially, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, as at the date hereof:

| Name | Number of Common Shares | Percentage of Common Shares |
|-----------------------------------|--------------------------------|------------------------------------|
| Joseph Abbandonato ⁽¹⁾ | 14,594,700 | 29.40% |

Notes:

- (1) Of the 14,594,700 Common Shares controlled by Joseph Abbandonato, 3,909,890 are held by Roncon Consultants Inc., a corporation controlled by Joseph Abbandonato, and 10,684,810 are held directly by Joseph Abbandonato.

DIRECTORS AND EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Audit and Compensation Committee

The audit and compensation committee (the “**Audit and Compensation Committee**”) establishes executive officer compensation, the general compensation structure, policies and programs of the Corporation. The Audit and Compensation Committee has also been mandated to review the adequacy and form of the compensation of directors and to ensure that such compensation realistically reflects the responsibilities and risk involved in being an effective director.

The members of the Audit and Compensation Committee are Messrs. Michel Baril, Gilles Émond and Philip Nolan. The Audit and Compensation Committee is composed of a majority of independent directors and meets at least annually to receive information on and determine matters regarding executive officer compensation in accordance with policies approved by the Board of Directors.

None of the members of the Audit and Compensation Committee has a formal background or experience in executive compensation directly related to his responsibilities on the Audit and Compensation Committee. However, each member is an experienced business person who has been involved with other boards, has been involved in structuring compensation arrangements for executives and has general knowledge of incentive structures and compensation levels.

Mr. Baril has been involved as senior executive and president of a division of a multinational corporation and as director of other public companies. Mr. Émond has a broad range of experiences as a chartered professional accountant with recognized accounting firms. Mr. Nolan has gained relevant experience through his legal practice advising corporate clients from various industry sectors. These skills and experience enable the Audit and Compensation Committee to make proper decisions on the suitability of the Corporation’s compensation program.

Compensation Philosophy and Objectives

The goal of the Corporation's executive officer compensation program is to attract, retain and motivate high quality executives and to encourage them to meet Shareholders' expectations by preserving and growing the business. The compensation program is designed to communicate and focus the executives on critical business issues which ultimately increase long-term Shareholder value.

Compensation and Risk Management

In light of the Corporation's size and its current compensation program which is relatively simple, neither the Audit and Compensation Committee nor the Board of Directors specifically consider the risks associated with the Corporation's compensation program.

The Corporation has not adopted a policy and has not restricted Named Executive Officers (as hereinafter defined) or directors from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, any of which are designed to hedge their equity-based compensation awards or the value of the securities they hold. During the financial year ended December 31, 2015, none of the Named Executive Officers or directors purchased such financial instruments.

Elements of the Corporation's Compensation Program

The compensation program consists of base salaries, annual performance incentives and stock options.

Base salaries of executive officers used to be determined by referencing salary levels in the industry in which the Corporation operates. The Audit and Compensation Committee used to review information drawn from a variety of sources, including the experience of its members in hiring individuals for similar positions. Criteria included in the determination of salary levels included the individual's experience level, the scope and complexity of the position held and salaries paid for similar positions at other companies of similar size and complexity. Neither the Corporation nor the Audit and Compensation Committee benefited from the services of a compensation consultant for the last two financial years.

Annual bonuses may or may not be paid and are determined on a discretionary basis by the Audit and Compensation Committee and approved by the Board of Directors based on an executive's performance throughout the year. The Corporation does not establish fixed objectives used to determine bonuses paid out to executives. For the financial year ended December 31, 2015, there were no discretionary bonuses paid to members of management.

The stock option component of the executive officer compensation package is provided to focus management's attention on corporate performance over a period of time longer than one year in recognition of long-term horizons for return on investments and strategic decisions in the industry. The level of stock option awards given to each executive officer is determined by his position, his potential future contributions to the Corporation and the number and terms of stock option awards previously granted to the executive. All stock option awards are reviewed by the

Committee and then recommended to the Board of Directors for approval. The Audit and Compensation Committee determines a meaningful level of award for employees ranging from key employees to the Chief Executive Officer. The level of stock option awards is also influenced by the number of executive officers and key employees in the current year and the likelihood of grants in future years to executive officers and key employees since the total number of stock options available under the Corporation's stock option plan (the "**Stock Option Plan**") is fixed. The total amount of stock options issued over the past years is looked at but does not have a material impact on the number of options to be granted. 650,000 stock options were issued to employees during the year ended December 31, 2015, including 500,000 to members of management.

Executive Compensation

The following table sets forth information concerning the compensation paid to the Corporation's President and Chief Executive Officer, the Corporation's Controller, in his capacity as Chief Financial Officer, the Corporation's Vice-President, Operations and the Corporation's Vice-President, Marketing and Innovation, as required to be disclosed in accordance with applicable securities regulations (the "**Named Executive Officers**") during the Corporation's last three fiscal years ended December 31, 2015, 2014 and 2013.

Such information includes the following: the salary earned, the bonus, any other compensation, including the specific benefits and other personal benefits, the options granted under the Stock Option Plan and any other compensation which is not disclosed elsewhere.

Summary Compensation Table

| Name and Principal Position | Year | Salary (\$) | Share-Based Awards (\$) | Option-Based Awards ⁽¹⁾ (\$) | Non-Equity Incentive Plan Compensation (\$) | | Pension Value (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|---|------|-------------|-------------------------|---|---|--------------------------|--------------------|-----------------------------|-------------------------|
| | | | | | Annual Incentive Plan | Long-Term Incentive Plan | | | |
| Joseph Abbandonato President and Chief Executive Officer | 2015 | 158,250 | - | - | - | - | - | - | 158,250 |
| | 2014 | 158,250 | - | - | - | - | - | - | 158,250 |
| | 2013 | 158,250 | - | - | - | - | - | - | 158,250 |
| Ralf Dujardin Vice-President, Marketing and Innovation | 2015 | 222,275 | - | - | - | - | - | - | 222,275 |
| | 2014 | 200,000 | - | - | - | - | - | - | 200,000 |
| | 2013 | 100,000 | - | - | - | - | - | - | 100,000 |
| Gerald Phelps ⁽²⁾ Vice-President, Operations | 2015 | - | - | - | - | - | - | 138,017 | 138,017 |
| | 2014 | - | - | - | - | - | - | 173,558 | 173,558 |
| | 2013 | - | - | - | - | - | - | 160,866 | 160,866 |

| | | | | | | | | | |
|----------------------------------|------|---------|---|--------|-----------------------|---|---|---|---------|
| Giancarlo Santella Controller | 2015 | 130,000 | - | 30,421 | - | - | - | - | 160,421 |
| | 2014 | 130,000 | - | - | 10,000 ⁽³⁾ | - | - | - | 140,000 |
| | 2013 | 130,000 | - | - | - | - | - | - | 130,000 |

Note:

- (1) Based on the grant date fair value of stock options under the Stock Option Plan using Black-Scholes valuation methodology.
- (2) Gerald R. Phelps is the controlling shareholder of Polytechnomics Inc. (“Polytech”). The Corporation has an agreement (the “**Agreement**”) with Polytech for the provision of consulting, management and technical services for an aggregate consideration of \$138,017 for the financial year ended December 31, 2015 and for an aggregate consideration of \$173,558 and \$160,866 for the financial years ended December 31, 2014 and 2013. The Agreement is presented to and approved by the Board of Directors of the Corporation on an annual basis.
- (3) Giancarlo Santella received a discretionary bonus during the course of 2014.

Stock Option Plan

On March 12, 2007, the Corporation established the Stock Option Plan pursuant to which options may be granted in favour of directors, officers, employees and consultants providing ongoing services to the Corporation. Pursuant to the Stock Option Plan, a maximum of 3,735,000 Common Shares are reserved for issuance (representing less than 10% of the total number of Common Shares issued and outstanding).

The exercise price, terms and conditions of the options are established by the Board of Directors, subject to the rules of the regulatory authorities having jurisdiction over the securities of the Corporation. The exercise price at the time of the grant of the options shall not be less than the closing market price of the Common Shares listed on the TSX Venture Exchange on the day prior to their grant. The options granted may be exercised during a period not exceeding five years. The options are non transferable.

There were 300,000 stock options issued and outstanding at the beginning of the 2015 fiscal year, and 650,000 stock options were issued and 200,000 expired during the 2015 fiscal year, so that a total of 750,000 stock options were issued and outstanding as of December 31, 2015.

The following table shows, as of December 31, 2015, aggregated information for the Stock Option Plan. No stock options were exercised during the course of the 2015 fiscal year.

Equity Compensation Plan Information

| Plan Category | Number of Common Shares to be Issued Upon Exercise of Outstanding Options | Weighted Average Exercise Price of Outstanding Options | Number of Common Shares Remaining Available for Future Issuance Under the Plan |
|---|---|--|--|
| Stock Option Plan of the Corporation approved by the Shareholders | 750,000 | \$0.28 | 2,985,000 |
| Stock Option Plan of the Corporation not approved by the Shareholders | N/A | N/A | N/A |

Employment Agreements and Termination or Change of Control Benefits

As at December 31, 2015, there were no employment agreements entered into between the Corporation and Named Executive Officers or any other agreement under which a Named Executive Officer is entitled to receive payments following or in connection with any termination of employment or a change in control of the Corporation.

Pension Plan

There is no pension plan for Named Executive Officers of the Corporation.

Compensation of Directors

During the last financial year, each non-executive director was entitled to receive \$5,000 per annum for his services as a director. For the period ended December 31, 2015, each director was entitled to an attendance fee of \$750 per meeting of the Board of Directors. The Chairman of the Audit and Compensation Committee received an additional attendance fee of \$250 per meeting. However, directors who are officers of the Corporation are not entitled to any compensation or attendance fee as members of the Board of Directors.

The following table provides a summary of the compensation received by each director of the Corporation during the period ended December 31, 2015.

Director Compensation Table

| Name | Fees Earned (\$) | Share-Based Awards (\$) | Option-Based Awards (\$) | Non-Equity Incentive Plan Compensation (\$) | Pension Value (\$) | All Other Compensation (\$) | Total (\$) |
|------------------------------------|------------------|-------------------------|--------------------------|---|--------------------|-----------------------------|------------|
| Joseph Abbandonato ⁽¹⁾ | - | - | - | - | - | - | - |
| Gerald R. Phelps ⁽²⁾⁽³⁾ | - | - | - | - | - | - | - |
| Consolato Gattuso | 8,000 | - | - | - | - | - | 8,000 |
| Michel Baril | 7,250 | - | - | - | - | - | 7,250 |
| Gilles Émond | 9,000 | - | - | - | - | - | 9,000 |
| Philip Nolan | 8,000 | - | - | - | - | - | 8,000 |
| Camillo Lisio | 8,000 | - | - | - | - | - | 8,000 |

Notes:

- (1) Joseph Abbandonato is President and Chief Executive Officer of the Corporation and does not receive any director fees. Mr. Abbandonato's compensation is disclosed in the Summary Compensation Table and elsewhere in this Circular.
- (2) Gerald R. Phelps is Vice-President, Operations of the Corporation and does not receive any director fees. Mr. Phelps' compensation is disclosed in the Summary Compensation Table and elsewhere in this Circular.
- (3) Gerald R. Phelps has informed the Corporation that he will not stand for re-election to the Board of Directors at the Meeting and will therefore cease to be a director of the Corporation on June 20, 2016. Mr. Phelps will remain the Vice-President, Operations of the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the commencement of the last completed fiscal year of the Corporation, none of the directors or executive officers or employees of the Corporation have been or are indebted to the Corporation nor has the Corporation guaranteed or otherwise supported any indebtedness of any of the said parties during that period.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, with the exception of Joseph Abbandonato, no directors or executive officers or any other insiders of the Corporation or persons in relation or being part of the same group as said officials has any material interest in a transaction having been concluded since the beginning of the last fiscal year or has an interest in any planned transaction that has or could affect in a material manner the Corporation or one of its subsidiaries.

Joseph Abbandonato, the Corporation's President, Chief Executive Officer and Chairman of the Board of Directors, is the controlling shareholder of Roncon Consultants Inc. ("**Roncon**"). Three of the Corporation's production facilities are leased from Roncon and parties related to Roncon under long-term operating lease agreements for the aggregate consideration of \$825,461 for the financial year ended December 31, 2015.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Corporation maintains Directors' and Officers' liability insurance on behalf of its directors and officers. For the financial year ended December 31, 2015, the policy limit was \$10,000,000, subject to a maximum deductible of \$25,000 per loss, as well as specific exclusions which are usually contained in policies of this nature. The Corporation pays a total annual premium of \$25,000.

MATTERS TO BE ACTED UPON AT MEETING

1. Presentation of Financial Statements

The Corporation's audited consolidated financial statements for the year ended December 31, 2015 and the report of the auditors' thereon will be placed before the Meeting.

2. Election of Directors

Each of the nominees named hereunder has advised management of the Corporation that he will be willing to serve as a director if elected. Management of the Corporation proposes the nomination of seven directors for the current year. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director. Each nominee elected as a director will hold office until the next annual meeting or until his successor is duly elected, unless he ceases to hold office pursuant to the *Canada Business Corporations Act* (the "**CBCA**") or his office is vacated earlier pursuant to the by-laws of the Corporation.

The management recommends voting FOR the election of all nominees to the Board of Directors listed below. **Unless the Form of Proxy states otherwise, or if the right to vote is not exercised for the election of all nominees proposed as directors by the management of the Corporation, the persons named in the enclosed Form of Proxy intend to VOTE FOR the election of all nominees proposed as directors by the management.**

The resolution regarding the election of the directors of the Corporation must be adopted by a majority of the votes cast by the Shareholders present or represented by proxy and entitled to vote at the Meeting.

The following table states the names and place of residence of the persons proposed to be nominated for election as directors. This table also sets out, for each individual, all other positions and offices with the Corporation now held by them, their principal occupation or employment, the periods during which they have served as directors of the Corporation and the number of shares of the Corporation beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction, as at the date hereof:

| Name and Place of Residence | Director since | Office | Principal Occupation | Number of Common Shares Beneficially Owned or Controlled |
|--|------------------|---|---|--|
| Joseph Abbandonato Québec, Canada | October 22, 1998 | President, Chief Executive Officer and Chairman of the Board of Directors | Since 1993, Joseph Abbandonato has been President and Chief Executive Officer of the Corporation. | 14,594,700 ⁽¹⁾ |
| Tony Abbandonato Québec, Canada | New nominee | Production Director and Secretary | Tony Abbandonato is the Director of Production and Secretary of the Corporation, and was a director of the Corporation from May 19, 1999 to June 21, 2012 | 4,540,061 ⁽²⁾ |
| Consolato Gattuso Québec, Canada | March 19, 2012 | Director | Consolato Gattuso is a founding partner with the Montreal law firm Mitchell Gattuso. | 45,316 |
| Michel Baril, P.Eng ⁽³⁾ Québec, Canada | March 31, 2008 | Director | Corporate director for several public companies. | 20,000 |
| Gilles Émond, CPA, CA ⁽³⁾ Québec, Canada | August 7, 2006 | Director | Gilles Émond is a retired partner of Deloitte. Mr. Émond is a member of the <i>Ordre des comptables professionnels agréés du Québec</i> . | (-) |
| Philip Nolan ⁽³⁾⁽⁴⁾ Québec, Canada | June 19, 2001 | Director | Philip Nolan is a partner with the law firm of Lavery, de Billy, L.L.P. in Montréal. | 4,407,000 ⁽⁴⁾ |
| Camillo Lisio Québec, Canada | June 1, 2004 | Director | Camillo Lisio is an independent business consultant with an extensive and varied professional experience. | (-) |

Notes:

- (1) Of the 14,594,700 Common Shares controlled by Joseph Abbandonato, 3,909,890 are held by Roncon, a corporation controlled by Joseph Abbandonato and 10,684,810 are held directly by Joseph Abbandonato.
- (2) Of the 4,540,061 Common Shares controlled by Tony Abbandonato, 1,802,214 are held by 3479528 Canada Inc., a corporation controlled by Tony Abbandonato, and 2,737,847 are held directly by Tony Abbandonato.
- (3) Member of the Audit and Compensation Committee.
- (4) Of the 4,407,000 Common Shares controlled by Philip Nolan, 4,357,000 are held by 3342913 Canada Inc., a corporation controlled by Philip Nolan and 50,000 are held by an education savings plan controlled by Philip Nolan.

Each nominee has provided the information as to the Common Shares of the Corporation he beneficially owns, or over which he exercises control or direction, as at the date of this Circular.

Each of the nominees was elected to his present term of office by the Shareholders at a meeting in respect of which the Corporation circulated to Shareholders a management proxy circular.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the Corporation's knowledge, no proposed director is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that, (i) while the proposed director was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (ii) after the proposed director ceased to act in that capacity but which resulted from an event that occurred while that person was acting in such capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, except for:

- Philip Nolan was a director of Clifton Star Resources Inc. when was issued a cease trade order by the British Columbia Securities Commission on July 22, 2011 on the ground that it has not complied with the obligation to file a technical report supporting its disclosure of the mineral resources estimate and to file a material change report disclosing such mineral resource estimate. This cease order was revoked on March 5, 2012.

To the Corporation's knowledge, no proposed director is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for:

- Michel Baril was Chairman of the Board of T-Rex Vehicles Inc. six months before it made an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada). Mr. Baril was also, until February 8, 2010, a director of Raymor Industries Inc. that filed a notice of intention to make a proposal to its unsecured creditors under the *Companies' Creditors Arrangement Act* (Canada) on January 16, 2009. The proposal was approved by the unsecured creditors, as amended and approved by the Superior Court on January 27, 2010.

In addition, to the knowledge of the Corporation, no proposed director has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed directors.

Furthermore, to the knowledge of the Corporation, no proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

3. Appointment of Auditors

Raymond Chabot Grant Thornton LLP (“**RCGT**”) were initially appointed on May 17, 2013, as auditors of the Corporation.

The management and the Board of Directors of the Corporation recommend voting **FOR** the appointment of RCGT as independent auditors of the Corporation to hold office until the next annual meeting.

Unless the Form of Proxy states otherwise, or if the right to vote is not exercised for the appointment of the auditors, the persons named in the enclosed Form of Proxy intend to VOTE FOR the appointment of RCGT as independent auditors of the Corporation and to authorize the directors to fix their remuneration.

The resolution regarding the appointment of the independent auditors must be adopted by a majority of the votes cast by the Shareholders present or represented by proxy and entitled to vote at the Meeting.

4. Other Business

Management of the Corporation has no knowledge, as at the date hereof, of any business other than that mentioned in the Notice of Meeting, to be presented for action by the Corporation at the Meeting. However, the Form of Proxy solicited hereunder confers upon the proxy holder the discretionary right to exercise the powers conferred thereunder upon any other matters and proposals that may properly come before the Meeting, or any adjournment or adjournments thereof.

AUDIT AND COMPENSATION COMMITTEE

The charter of the Audit and Compensation Committee is attached to this Circular as Schedule “A”.

The Audit and Compensation Committee is composed of three members: Gilles Émond, Michel Baril and Philip Nolan. Each member is also a director of the Corporation. All members of the Audit and Compensation Committee are financially literate. The majority of the members are independent within the meaning of *Regulation 52-110 respecting Audit Committees* (“**Regulation 52-110**”) with the exception of Philip Nolan, legal counsel to the Corporation. The Corporation is relying upon the exemption in section 6.1 of Regulation 52-110.

Relevant Education and Experience

The education and experience of each Audit and Compensation Committee member that is relevant to the performance of his responsibilities are as follows:

Gilles Émond, CPA, CA – Chairman

Mr. Émond is a member of the *Ordre des comptables professionnels agréés du Québec*. He has wide experience in accounting, audit, business risk management and consulting, as demonstrated by his many years as a partner with firms like Malette Maheu, Arthur Andersen and Deloitte.

Michel Baril

Mr. Baril is a member of the *Ordre des ingénieurs du Québec*. He has held various senior administrative positions with Bombardier Inc. over 25 years. As an experienced executive, he is conversant with financial statements and financial matters in general.

Philip Nolan

Mr. Nolan holds a B.A. in administrative and commercial studies and a law degree. As a tax lawyer, he is called upon to work with corporations and to analyze their financial statements. He is conversant with financial statements and financial matters.

The Audit and Compensation Committee meets on a quarterly basis and holds special meetings as circumstances require. Gilles Émond, Michel Baril and Philip Nolan attended the four meetings of the Audit and Compensation Committee held during the last fiscal year.

Audit and Compensation Committee Oversight

All the recommendations made by the Audit and Compensation Committee with respect to the appointment and/or compensation of the Corporation's external auditors since the commencement of the Corporation's most recently completed financial year have been adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to “De Minimis Non-Audit Services” or any exemption provided by Part 8 of Regulation 52-110. As mentioned above, the Corporation is relying upon the exemption in section 6.1 of Regulation 52-110.

Pre-Approval Policies and Procedures

The Audit and Compensation Committee approves the engagement terms for all audit and non-audit services to be provided by the Corporation's accountants before such services are provided to the Corporation or any of its subsidiaries.

External Auditor Service Fees

For the last two fiscal years, the Corporation's external auditors have billed the following fees for their services to the Corporation:

| | 2014 Fiscal Year (\$) ⁽¹⁾ | 2015 Fiscal Year (\$) ⁽¹⁾ |
|-----------------------------------|---|---|
| Audit Fees | 50,000 | 113,335 |
| Audit-Related Fees ⁽²⁾ | 2,500 | 3,018 |
| Tax Fees ⁽³⁾ | 30,975 | 74,438 |
| Total | 83,475 | 190,791 |

Note:

- (1) The fees presented above for the 2014 and 2015 fiscal years are presented based on amounts invoiced in each fiscal year. Due to the invoice dates, a portion of the fees for the audit of the fiscal year ended December 31, 2014 was invoiced during the 2015 fiscal year, which explains the increase in fees invoiced during the 2015 fiscal year. The base audit fees remained constant from one fiscal year to the next.
- (2) These fees include the fees and disbursements for services reasonably related to the performance of the audit of the Corporation's financial statements not reported under "Audit Fees". The fees include amounts invoiced by the Corporation's previous auditors.
- (3) These fees include the fees and disbursements for the service related to tax compliance, tax advice, and tax planning.

CORPORATE GOVERNANCE

Statement of Corporate Governance Practices

The Board of Directors of the Corporation considers good corporate governance to be important to the effective operations of the Corporation and to ensure that the Corporation is managed so as to enhance Shareholder value.

The Board of Directors is responsible for ensuring that the Corporation addresses all relevant corporate governance issues in compliance with the corporate governance guidelines set forth in *Policy Statement 58-201 to Corporate Governance Guidelines*. The Corporation's disclosure of corporate governance practices pursuant to *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* is set out in Schedule "B" to this Circular in the form required by Form 58-101F2.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's audited consolidated financial statements and Management's Discussion and Analysis for the period ended December 31, 2015 a copy of which may be obtained on request to Tony Abbandonato, Secretary of the Corporation at

5710 Notre-Dame Street West, Montréal, Québec H4C 1V2. The Corporation may require the payment of a reasonable charge when the request is made by someone other than a Shareholder.

PROPOSALS BY SHAREHOLDERS

Pursuant to the CBCA, resolutions intended to be presented by Shareholders for action at the 2017 annual meeting must comply with the provisions of the CBCA and be deposited at the Corporation's head office no later than one year less 90 days before the date of this Circular being February 23, 2017 in order to be included in the management proxy circular and form of proxy relating to such meeting.

DIRECTORS' APPROVAL

The contents of this Circular, and the sending thereof to Shareholders entitled to receive notice of the Meeting, to each director and to the auditors of the Corporation, have been approved by the Board of Directors of the Corporation.

SIGNED in Montréal, Québec, this May 24, 2016

Per: *(s) Joseph Abbandonato*
Chairman of the Board of Directors

Per: *(s) Gerald R. Phelps*
Director

SCHEDULE "A"

IMAFLEX INC. AUDIT AND COMPENSATION COMMITTEE CHARTER

The audit and compensation committee (the "**Committee**") will provide independent review and oversight of Imaflex Inc. (the "**Corporation**") financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Corporation's external auditors.

The Committee will also assist the Board of Directors in fulfilling its responsibilities in reviewing the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. The Committee will review the Corporation's financial strategies, its financing plans and its use of the equity and debt markets.

To perform his or her role effectively, each Committee member will obtain an understanding of the responsibilities of Committee membership as well as the Corporation's business, operations and risks.

1. AUTHORITY

The Board of Directors authorizes the Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to retain outside legal or professional counsel and other experts and to ensure the attendance of Corporation's officers at meetings as appropriate.

2. ORGANIZATION

2.1 Membership

- a. The Committee will be comprised of at least three directors, a majority of which are independent of management;
- b. The Chairman of the Committee will be nominated by the Committee from time to time. The secretary of the Committee will be such person as nominated by the Chairman;
- c. A quorum for any meeting will be two members.

2.2 Attendance at Meetings

- a. The Committee may invite such other persons to its meetings, as it deems appropriate;
- b. The external auditors may be present at each Committee meeting and be expected to comment on the financial statements in accordance with best practices;
- c. The Committee shall meet as frequently as required, and in compliance with Regulation 52-110 and related applicable laws. Special meetings shall be convened as necessary. External auditors may convene a meeting if they consider that it is necessary;
- d. Minutes of the proceedings of all meetings will be kept.

3. ROLES AND RESPONSIBILITIES

The Committee:

- 3.1 shall recommend to the board of directors the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- 3.2 shall recommend the compensation of the external auditor;
- 3.3 shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- 3.4 shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor;
- 3.5 shall review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the corporation publicly discloses this information;
- 3.6 shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection 3.5, and must periodically assess the adequacy of those procedures;

- 3.7 shall establish procedures for: (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- 3.8 shall review and approve the corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

SCHEDULE "B"

IMAFLEX INC. CORPORATE GOVERNANCE

Regulation 58-101 respecting Disclosure of Corporate Governance Practices requires the Corporation to annually disclose certain information regarding its corporate governance practices. Those practices are as follows.

Board of Directors

Joseph Abbandonato, the Chairman of the Board of Directors, President and Chief Executive Officer of the Corporation annually presents to the Board of Directors the proposed corporate strategies. The Board of Directors delegates to management the responsibility for the development of these strategies and holds itself responsible for the approval of the strategies finally adopted. In addition to those matters which must by law be approved by the Board of Directors, management is required to seek Board of Directors approval for significant acquisitions, divestitures and capital expenditures. Other matters of strategic importance to the Corporation or which impact significantly on the operations of the Corporation are brought to the Board of Directors' attention for its input, consideration and approval.

The Board of Directors oversees the identification of the principal risks of the Corporation's business and the implementation by management of appropriate systems to manage such risks. The Board of Directors reviews from time to time organizational matters such as succession planning. Given current management's tenure, their vast experience and low turnover, succession planning is not seen as critical at the present time by the Board of Directors.

The following directors are "independent" pursuant to *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* since they qualify as "independent" directors, as such term is defined in *Regulation 52-110 respecting Audit Committees*: Camillo Lisio, Michel Baril, Gilles Émond, Consolato Gattuso and Philip Nolan. Under *Regulation 52-110 respecting Audit Committees*, even though Philip Nolan is qualified as an independent member when he sits on the Board of Directors, he is not considered as an independent member for the purpose of his work for the Audit and Compensation Committee of the Corporation.

The following directors are not independent for the reasons listed after their name: Joseph Abbandonato (President and Chief Executive Officer of the Corporation) and Gerald R. Phelps (Vice-President, Operations of the Corporation).

If elected at the Meeting, Tony Abbandonato will not be independent since he is the Production Director and Secretary of the Corporation.

1. **Directorships**

The following directors of the Corporation are presently a director of:

| Director | Reporting Issuers |
|--------------|--|
| Michel Baril | Nemaska Lithium Inc. Monarques Gold Corporation |

2. **Orientation and Continuing Education**

Reports and other documentation relating to the Corporation's business and affairs are provided to new directors. Board of Directors meetings are held at the Corporation's main site to give the directors additional insight into the Corporation's business and operations.

Orientation and education of directors is an ongoing matter. As such, ongoing informal discussions between management and members of the Board of Directors are encouraged and visits to the Corporation's operations are organized.

3. **Ethical Business Conduct**

The Corporation is committed to promote the highest standard of ethic and integrity in the pursuance of all of its activities

Furthermore, the directors, officers and employees of the Corporation are expected to act and to hold their office within the best interests of the Corporation. The Corporation expects that all directors shall act in compliance of all laws and regulations applicable to their office as Director of the Corporation.

In the event any transactions or agreements occur in respect of which a Director or executive officer has a significant interest, the matter must be initially reviewed by the Audit and Compensation Committee and is then submitted to the Board of Directors. The Board of Directors may implement any measures that it finds necessary in order to ensure the exercise of independent judgment. In the event a Director has a significant interest in any transaction or agreement, such Director will abstain from voting in that regard.

4. **Nomination of Directors**

The Board of Directors of the Corporation does not feel it is necessary to increase the number of directors on the Board of Directors at this time.

Joseph Abbandonato, the Chairman of the Board of Directors, President and Chief Executive Officer of the Corporation seeks qualified candidates to be considered for nomination as directors. Proposed candidates are subject to review and approval by the Board of Directors.

Any new appointees or nominees to the Board of Directors must have a favourable track record in general business management, special expertise in areas of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve as a director.

5. **Compensation**

On an annual basis, Joseph Abbandonato, the Chairman of the Board of Directors, President and Chief Executive Officer of the Corporation and the Audit and Compensation Committee evaluate the adequacy of compensation of the directors. After sufficient review and analysis, the Audit and Compensation Committee recommends the remuneration of the directors to the Board of Directors for approval.

6. **Other Board Committees**

As of the date hereof, given the size of the Corporation, only the Audit and Compensation Committee was created by the Board of Directors.

7. **Assessments**

The Board of Directors of the Corporation has not established any formal procedures for assessing the performance of the Board of Directors or its committees and members. Generally, those responsibilities have been carried out on an informal basis by the Board of Directors itself. Furthermore, it is the view of the Board of Directors that, in light of its small size and the close and open relationship among its members, the formality of a committee would not be as effective as the current arrangement and is therefore unnecessary.