

Callidus Capital Corporation

Dividend Reinvestment Plan

Introduction

Callidus Capital Corporation (the “Company”) has established this dividend reinvestment plan to provide registered holders (the “Shareholders”) of common shares (the “Common Shares”) of the Company with a means to reinvest some or all of their dividends (“Dividends”) declared by the board of directors of the Company in additional Common Shares (the “Plan Shares”) in the Plan Shares on a quarterly basis without payment of brokerage commissions or service charges, on the terms described herein (the “Plan”).

Dividends on Common Shares (and on Plan Shares) will be reinvested on behalf of those Shareholders who participate in the Plan (“Plan Participants”) by Computershare Trust Company of Canada, as agent under the Plan (the “Plan Agent”) on the terms and conditions contained in a dividend reinvestment plan services agreement (the “Agreement”) entered into between the Company and the Plan Agent, the material provisions of which are summarized below.

Certain Defined Terms

Where used herein, the following terms shall have the following meanings:

“**Beneficial Shareholders**” means a beneficial owner of Common Shares that are registered in the name of CDS, or a broker, investment dealer, financial institution or other nominee;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CDS Participant**” means a Plan Participant in the CDS depository service;

“**Dividend Date**” means each date on which the Company makes a Dividend to Shareholders;

“**Enrollment Form**” means a form, approved by the Company in consultation with the Plan Agent, to be completed by a Shareholder to participate in the Plan;

“**Investment Price**” means the price per share used to acquire Plan Shares as provided by the Company;

“**Record Date**” means the date for determination of Shareholders entitled to receive a Dividend; and

“**Termination Price**” means the prevailing market price of the Plan shares at the time of sale, which is to be used by the Plan Agent for calculating the value of the fractional Plan Shares following receipt by the Plan Agent of a termination notice.

Participation in the Plan

Shareholders may elect to become Plan Participants with respect to all or a stated number of their Common Shares commencing on a Record Date relating to a Dividend. In order to become a Plan Participant, a Shareholder must provide a duly completed Enrollment Form to the Plan Agent no later than (5) Business Days prior to Record Date. Any Enrollment Form received following such date shall be considered for enrollment in the next Dividend.

A person who is a Beneficial Shareholder and not an owner of record (that is whose Common Shares are held and registered in a nominee account) who wishes to participate in the Plan and is eligible to do so should make arrangements with their broker, investment dealer, financial institution or other nominee to enroll such Common Shares in the Plan on behalf of such Beneficial Shareholder and deliver a completed and executed Enrollment Form to the Plan Agent. If the Beneficial Shareholder is unable to participate in the Plan, the Beneficial Shareholder of the Common Shares will be required to become a registered Shareholder by transferring such Common Shares into his or her own name and then enroll such Common Shares in the Plan by duly completing the Enrollment Form and returning it to the Plan Agent.

In the event that CDS is a Plan Participant, CDS must provide the Plan Agent notification of the number of Common Shares held by or through CDS for reinvestment by a time decided upon by CDS and the Plan Agent. Once complete, the Plan Agent will enroll the CDS Participants in the Plan with respect to such Common Shares.

Once enrolled, participation will continue automatically unless terminated in accordance with the terms of the Plan. Participation in the Plan is restricted to Shareholders who are residents of Canada for the purposes of the *Income Tax Act* (Canada). Upon becoming a non-resident, a Plan Participant must notify the Plan Agent and terminate his or her participation in the Plan immediately. The Plan Agent does not have any duty to inquire into the residency status of Plan Participants or to know the residency status of Plan Participants other than as notified by the Plan Participants.

Administration

The Company shall pay to the Plan Agent, on behalf of the Plan Participants, all Dividend amounts paid on Common Shares (including Plan Shares) for which Plan Participants are the owners on the Record Date. The Company will pay each Dividend on a Dividend Date as and when declared by the board of directors. The Plan Agent shall purchase Plan Shares on the terms and conditions set out below under "Purchase of Plan Shares by Plan Agent" and in the Agreement.

Plan Shares purchased pursuant to the Plan will be registered in the name of the Plan Agent, as agent of the Plan Participants in the Plan. Accounts under the Plan will be maintained in the names in which Common Shares were registered at the time the Plan Participants enrolled in the Plan.

Plan Shares may not be sold, transferred, pledged or otherwise disposed of by Plan Participants while such Plan Shares remain in the Plan. A Plan Participant who wishes to sell, transfer, pledge or dispose of any Plan Shares must first instruct the Plan Agent to withdraw such Plan Shares

from the Plan. A Plan Participant may withdraw his or her shares on the terms and conditions set out below under “Withdrawal of Plan Shares” and in the Agreement.

Purchase of Plan Shares by Plan Agent

Unless otherwise notified, the Plan Agent will purchase Plan Shares on the Canadian open market, including through the facilities of the TSX, the TSX Venture and/or any other alternative Canadian market. If notified from the Company no later than the Record Date, the Plan Agent will purchase Plan Shares from the Company’s treasury, in which case the Plan Shares shall be issued from the Company on the Dividend Date through treasury direction.

Default Market Purchase

If Plan Shares are purchased on the Canadian open market, which will always be the case unless instructed otherwise from the Company, the Plan Agent will purchase Plan Shares through a broker-dealer designated by the Company or by the Plan Agent if directed by the Company. The price of such Plan Shares will be the average price paid (excluding brokerage commissions, fees and all transaction costs) per Plan Share for all Plan Shares purchased by the Plan Agent in respect of the Plan during the three (3) Business Days following the relevant Dividend Date.

Instructed Treasury Purchase

If Plan Shares are issued from treasury by the Company, the Company will instruct the Plan Agent to purchase Plan Shares at a price that will be equal to 95% of the average closing price of the Common Shares on the TSX for the five (5) consecutive trading days immediately prior to the applicable Dividend Date.

Fractional Plan Shares

Each Plan Participant’s account will be credited with the number of Plan Shares purchased under the Plan for such Plan Participant, including fractional Plan Shares computed to six decimal places, which is equal to the amounts to be invested for each Plan Participant divided by the applicable purchase price. In the case of Beneficial Shareholders who participate in the Plan, this account will be maintained by CDS or the Beneficial Shareholder’s broker, investment dealer, financial institution or other nominee holding Plan Shares as registered shareholder. Beneficial Shareholder should contact their broker, investment dealer, financial institution or other nominee as to the manner in which fractional entitlements may be held.

Participants’ Accounts, Reports and Certificates

An account will be maintained by the Plan Agent or its nominee for each Plan Participant in the Plan. These reports will be the only record for Plan Participants of the cost of each purchase of Plan Shares on their behalf. All such reports should be retained by Plan Participants for income tax purposes. In addition, each Plan Participant will receive annually the appropriate tax information for recording Dividends paid to them. The automatic reinvestment of Dividends under the Plan will not relieve Plan Participants of any income tax applicable to such Dividends.

Voting of Plan Shares

Plan Shares held on a Record Date for a vote of Shareholders may be voted in the same manner as the Plan Participants' other Common Shares may be voted, either in person or by proxy.

Commissions and Administrative Costs

There will be no commissions or brokerage charges payable on the purchase of Plan Shares which are purchased directly from the Company. Administrative costs associated with the operation of the Plan will be borne by the Company as set out in the Company Agreement.

Responsibilities of the Company and the Plan Agent

Neither the Company or the Plan Agent are liable for any act done by any of them in good faith or for any good faith omission to act in connection with the operation of the Plan. In particular, neither the Company or the Plan Agent shall have any liability to Plan Participants with respect to:

- (a) the prices at which Plan Shares are purchased for the Plan Participants' accounts or the times at which such purchases are made, other than to ensure such purchases are in accordance with the Plan; and
- (b) any action or responsibilities of CDS and CDS Participants in relation to the Plan.

Plan Participants should recognize that neither the Company or the Plan Agent can assure a gain or protect against a loss as a result of Plan Participants holding Plan Shares.

Termination of Participation

Plan Participants may voluntarily terminate their participation in the Plan by written notification to the Plan Agent no later than five (5) Business Days prior to a Record Date. Upon such instructions, the Plan Agent will (i) deliver a DRS Advice or share certificate for the whole number of Plan Shares held as soon as practicable after terminating the account, subject to such fees and expenses as are normally charged by the Plan Agent for preparation and delivery of such certificate, and (ii) based upon the Termination Price, issue a cheque for the fractional Plan Shares. Any notification received following the time specified herein shall be processed after the Dividend Date. Participation by a Beneficial Shareholder participating in the Plan may be terminated by giving notice to his or her broker, investment dealer, financial institution or other nominee.

Withdrawal of Plan Shares

Plan Participants may voluntarily withdraw whole Plan Shares from a Plan Participant's account by written notification to the Plan Agent no later than five (5) Business Days prior to a Record Date. Upon such instructions, the Plan Agent will deliver a DRS Advice or share certificate for the specified whole number of Plan Shares held as soon as practicable, subject to such fees and expenses as are normally charged by the Plan Agent for preparation and delivery of such DRS Advice or share certificate. Any notification received following the time specified herein shall be processed after the Dividend Date.

Amendments, Suspension or Termination of Plan and Plan Agent

The Company may, in its sole discretion, upon not less than 30 days' notice to the Plan Agent and Plan Participants, suspend or terminate the Plan at any time. The Company may also amend the Plan at any time with the prior consent of the Toronto Stock Exchange and the Plan Agent, such consent by the Plan Agent not to be unreasonably withheld.

The Company may remove the Plan Agent or the Plan Agent may resign at any time upon not less than sixty (60) days prior written notice to the Plan Agent or the Company, as the case may be, or upon such lesser period as may be otherwise provided in the Agreement or as mutually agreed to by the Company and the Plan Agent. On or prior to the end of such notice period, the Company may appoint a successor to the Plan Agent to act as the administrative agent for the Plan and to which the Plan Agent shall, at the request of the Company, deliver the property and records held in connection with the Agreement.

Electronic Communications

References in this Plan to the delivery of instructions, notices or other documents in writing will be deemed to include, subject to the adoption of rules or regulations by the Company, delivery of electronic means, including the Internet.

Effective Date

Subject to receipt of all required regulatory approvals, the Plan shall be deemed effective for any Record Date after the date set out below.

Notices

All notices required to be given to Plan Participants will be mailed to them at the address shown on the records of the Plan Agent.

Communication with the Plan Agent shall be addressed to:

Computershare Trust Company of Canada
100 University Avenue, 8th Floor, North Tower
Toronto, Ontario
M5J 2Y1
Attention: Dividend Reinvestment Department

Or the National Contact Centre toll-free at 1-800-564-6253 or by visiting www.investorcentre.com/service

Written communications to the Company should be addressed to:

Callidus Capital Corporation
4620 - 181 Bay Street, P.O. Box 792
Bay Wellington Tower, Brookfield Place
Toronto, Ontario M5J 2T3

Attention: Dan Nohdomi
Fax No: 416-941-9876
Email: dnohdomi@calliduscapital.ca

Effective Date of the Plan

The effective date of the Plan is September 16, 2015.