



REDKNEE
Looking Beyond

REDKNEE SOLUTIONS INC.

**ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

December 6, 2017

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PRESENTATION OF INFORMATION AND FORWARD LOOKING STATEMENTS

Except where the context otherwise requires, all references in this Annual Information Form (“AIF”) to the “Company”, “Redknee”, “we”, “us”, “our” or similar are to Redknee Solutions Inc. and its subsidiaries, taken together.

This AIF is dated December 6, 2017 and is stated as at September 30, 2017, unless otherwise indicated. The information that appears in the Company’s annual management discussion and analysis for the fiscal year ended September 30, 2017 (the “fiscal 2017 MD&A”) is hereby incorporated by reference in, and forms part of, this AIF. The fiscal 2017 MD&A is available at www.sedar.com and on the Company’s website at <http://www.redknee.com>.

Unless otherwise indicated, all dollar amounts are expressed in U.S. dollars.

Certain statements included in or incorporated into this AIF including but not limited to statements relating to business trends, our customers’ preferences and our ability to address their requirements, the basis for our future growth, competition, our dividend policy and potential legal proceedings and our liability under current legal proceedings constitute “forward looking” statements for purposes of applicable securities laws. When used in this AIF, statements made using such expressions as “will”, “continue”, “predict”, “may”, “would”, “could”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend”, “aim” and similar terminology are intended to identify forward looking statements. The forward looking statements are not historical facts but reflect management’s current expectations regarding future results or events. These forward looking statements include statements regarding financial or other projections, Redknee’s future plans, objectives or performance for the current period and subsequent periods and regarding the markets for its products.

These forward looking statements are subject to a number of assumptions, risks, uncertainties and other factors that could cause actual results, performance, achievements, industry results or events to differ materially from current expectations. These statements reflect current assumptions and expectations regarding future events and operating performance and speak only as of the date of this document. Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. The material assumptions made in making these forward looking statements include the following: the stability of general economic and market conditions, equity and debt markets continuing to provide us with access to capital, our ability to adapt to technological changes, our ability to identify and secure attractive and executable business opportunities, compliance with intellectual property rights and currency exchange and interest rates remaining stable. While management believes these assumptions to be reasonable under the current circumstances, they may be inaccurate. A number of factors could cause actual results to vary significantly from the results discussed in the forward looking statements, including, but not limited to, the inability of Redknee’s products to perform as expected, a material adverse change in the affairs of Redknee, the failure of the reorganization described herein to result in the efficiencies expected by management, the risk of default by Redknee under the requirements of its senior secured credit agreement and the enforcement by the lenders of their security, and the factors discussed under “Risk Factors” below. Other unknown or unpredictable factors or underlying

assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward looking statements.

These forward looking statements are made as of the date of this AIF and Redknee does not intend, and does not assume any obligation, unless otherwise required by law, to update or revise them to reflect new events or circumstances. Readers are cautioned not to place undue reliance on forward looking statements.

CORPORATE STRUCTURE

Redknee.com Inc. was incorporated under the *Business Corporations Act* (Ontario) on March 29, 1999. Through a series of corporate reorganizations, Redknee.com Inc. was renamed Redknee Inc. (“Redknee Inc.”). Since 1999, Redknee Inc. has been the operating entity of Redknee Solutions Inc. which was incorporated on November 1, 2006 under the *Canada Business Corporations Act*. On February 14, 2007 the Articles of Incorporation of the Company were amended to authorize Redknee Solutions Inc. as a Mutual Fund Corporation in Canada. At the June 11, 2008 Annual General Meeting, the shareholders approved a further amendment of the Articles of the Company to eliminate the Mutual Fund Corporation status effective October 22, 2008, being the date that the Company’s common shares (“Common Shares”) were listed on the Toronto Stock Exchange (“TSX”). The Company’s Common Shares traded under the symbol RKN. At the January 25, 2017 special meeting of holders of the Company’s Common Shares, shareholders approved the creation of the first series of preferred shares of the Company designated as Series A Preferred Shares (“Preferred Shares”). The Articles and By-law No. 1 of the Company were amended to reflect the creation of Preferred Shares. At the March 29, 2017 Annual and Special Meeting, shareholders approved the re-designation of Common Shares to Subordinate Voting Shares. As a result, the Articles of the Company were restated to reflect the change from Common Shares to Subordinate Voting Shares.

On September 1, 2017 Redknee changed its registered office from 2560 Matheson Boulevard East, Mississauga, Ontario, Canada L4W 4Y9 to 155 Wellington Street West, 40th Floor, Toronto, Ontario, M5V 3J7, Canada. The Company’s telephone number is +1 (905) 625 2622. The Company’s website address is www.redknee.com. The information on that website is not incorporated by reference in this AIF.

Inter-corporate Relationships

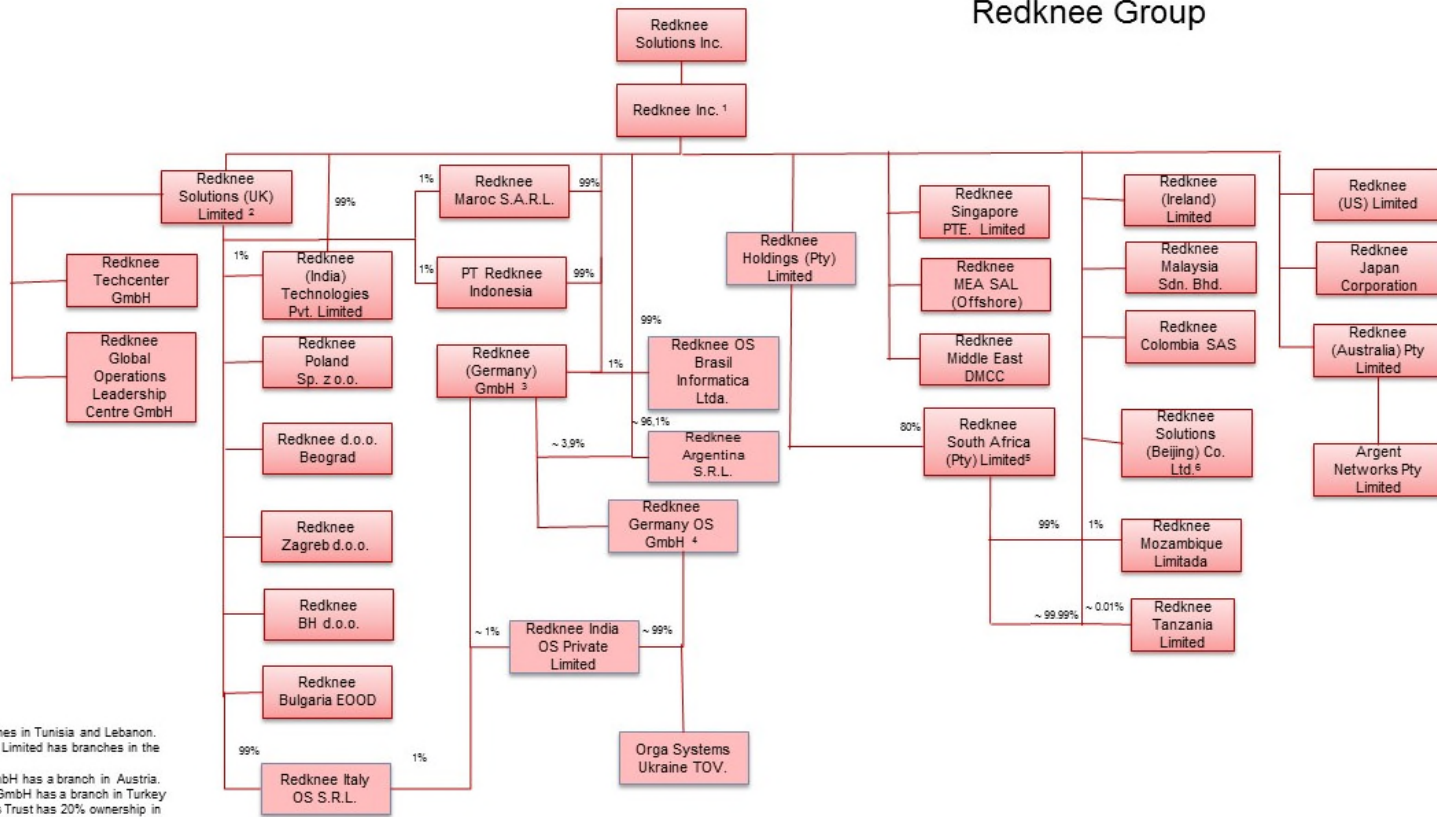
The following table illustrates the inter-corporate relationships between the Company and its material and other subsidiaries (as determined by Item 3.2 of Form 51-102F2) and sets out the respective jurisdictions of incorporation of such subsidiaries and the percentage of their voting securities owned, controlled or directed, directly or indirectly, by the Company as at September 30, 2017. A corporate structure chart showing the relationship among the various subsidiaries follows below.

Name of Subsidiary	Percentage of Votes Attaching to Voting Securities Beneficially Owned, Controlled or Directed by the Company	Jurisdiction of Incorporation
Redknee Inc.	100%	Ontario
Redknee (Ireland) Limited	100%	Ireland
Redknee Solutions (UK) Limited	100%	United Kingdom
Redknee (US) Limited	100%	Delaware
Redknee (Australia) PTY Limited	100%	Australia
Argent Networks Pty Limited	100%	Australia
Redknee (India) Technologies Pvt. Limited	100%	India
Redknee India OS Private Ltd.	100%	India
Redknee d.o.o. Beograd	100%	Serbia
Redknee Zagreb d.o.o.	100%	Croatia
Redknee Bulgaria EOOD	100%	Bulgaria
Redknee (Germany) GmbH	100%	Germany
Redknee Germany OS GmbH	100%	Germany
Redknee Techcenter GmbH	100%	Germany
Redknee Global Operations Leadership Centre GmbH	100%	Germany
Redknee Maroc SARL	100%	Morocco
PT Redknee Indonesia	100%	Indonesia
Redknee South Africa Proprietary Limited	100%	South Africa
Redknee Holdings (Proprietary) Limited	100%	South Africa
Redknee Malaysia Sdn. Bhd.	100%	Malaysia
Redknee Colombia SAS	100%	Colombia

Redknee Singapore PTE. Limited	100%	Singapore
Redknee MEA SAL (Offshore)	100%	Lebanon
Redknee BH d.o.o.	100%	Bosnia and Herzegovina
Redknee Middle East DMCC	100%	United Arab Emirates
Redknee Tanzania Limited	100%	Tanzania
Redknee Mozambique Limitada	100%	Mozambique
Redknee Solutions (Beijing) Co. Ltd. ¹	100%	China
Redknee Japan Corporation	100%	Japan
Redknee Argentina S.R.L	100%	Argentina
Redknee OS Brasil Informatica Ltda.	100%	Brasil
Redknee Italy OS s.r.l.	100%	Italy
Orga Systems Ukraine TOV	100%	Ukraine

¹ Redknee Solutions (Beijing) Co. Ltd. was deregistered on November 8, 2017 and is no longer a subsidiary.

Redknee Group



1 Redknee Inc. has branches in Tunisia and Lebanon.
 2 Redknee Solutions (UK) Limited has branches in the Philippines and Greece.
 3 Redknee (Germany) GmbH has a branch in Austria.
 4 Redknee Germany OS GmbH has a branch in Turkey
 5 Redknee SA Employees Trust has 20% ownership in Redknee South Africa (Pty) Limited
 6 Redknee Solutions (Beijing) Co. Ltd was deregistered on November 8, 2017 and is no longer a subsidiary

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Redknee, which commenced operations in July 1999, monetizes today's digital world for communications service providers. Our market-leading portfolio of monetization and subscriber management solutions includes real-time billing, charging, policy and customer care modules and is available on premise, cloud-based, or as Software-as-a-Service. With a central focus on driving customer success, Redknee's products power growth and innovation for operators globally.

Our business has been driven predominantly by the adoption of mobile voice and data services globally and the application of these services across vertical markets. We believe, that the requirement of service providers to monetize those services with more sophisticated real-time converged billing and customer care solutions is becoming more urgent. We are seeing a number of communications service providers undertake transformation projects and consolidate business support systems as they adapt their services to include new offerings, such as digital services. As a result, the potential market for Redknee's monetization and subscriber management solutions continues to grow.

Redknee's fiscal year ends on September 30. Further important product and business developments over the last three fiscal years are listed below. Readers are also encouraged to review the annual Management's Discussion & Analysis for the past three fiscal years, which are available at www.sedar.com.

Fiscal 2017

- In October 2016, Redknee successfully implemented Redknee Unified, a converged multi-play billing, charging and customer care platform at Omantel, a leading communication service provider in the Middle East.
- In October 2016, Redknee won a multi-year monetization solution contract for a major retailer in Latin America (LATAM) valued at more than \$5 million dollars. The solution is delivered from Redknee Cloud to provide the leading retailer with an enhanced real-time, end-to-end cloud-based monetization solution.
- In December 2016, Redknee entered into a waiver and amendment to its credit agreement with Wells Fargo Capital Finance, part of Wells Fargo & Company, and its two partners, the Royal Bank of Canada and Capital One (collectively, the "Lending Syndicate") in connection with the Financing Transaction (as defined below).
- In December 2016, Redknee completed an expansion of its real-time monetization and subscriber management platform at Telecommunications Services of Trinidad and Tobago Limited (TSTT).

- On December 9, 2016, Redknee entered into an agreement (the “Constellation Agreement”) with Constellation Software Inc. and Trapeze Software ULC (“Constellation”) to issue to Constellation 800,000 Preferred Shares of the Company and a Common Share purchase warrant for gross proceeds of \$80.0 million. The Constellation Agreement provided that, in the event that Redknee received a competing proposal that was considered to be superior by the Company’s Board of Directors to the transaction contemplated by the Constellation Agreement, Constellation would have the right to offer to amend the Constellation Agreement such that the competing proposal was no longer a superior proposal.
- On December 19, 2016, the Company received an unsolicited offer (the “ESW Offer”) from ESW Capital, LLC (“ESW Capital”) and Wave Systems Corp., a subsidiary of ESW Capital (“Wave”) that the Company’s Board of Directors unanimously determined in good faith, after consultation with its financial advisors and outside counsel, constituted a superior proposal within the meaning of the Constellation Agreement. Constellation declined to exercise its matching right under the Constellation Agreement and as a result, the Constellation Agreement was terminated and the Company entered into a subscription agreement (the “ESW Agreement”) with ESW Capital and Wave pursuant to which the Company agreed to complete a private placement of 800,000 Preferred Shares and a Common Share purchase warrant (the “Warrant”) to Wave for gross proceeds of \$83.2 million (the “Financing Transaction”). The termination fee of \$3.2 million payable to Constellation under the Constellation Agreement was assumed and paid by ESW Capital, which payment is non-refundable but was credited against the obligation to pay the proceeds of \$83.2 million to the Company on closing of the Financing Transaction. The terms and conditions of the Preferred Shares and the Warrant are described under “Description of Share Capital”.
- On January 25, 2017, at a special meeting of holders of the Company’s then Common Shares (since redesignated as Subordinate Voting Shares), shareholders approved the termination of the Company’s Amended and Restated Shareholder Rights Plan Agreement dated March 9, 2016. Also at such meeting, shareholders also provided such approvals as necessary for the Company to complete the Financing Transaction. This private placement closed on January 26, 2017.
- On January 26, 2017, the Company accepted the resignations of Dahra Granovsky, Greg Jacobsen and Steve Davies as directors and appointed to the board Demetrios Anaipakos, Scott Brighton, Chris Helling and Andrew Price, the nominees of Wave.
- In February 2017, Telekom Sprske and Redknee signed a multi-million dollar upgrade to the latest version of Redknee Unified and a contract expansion, including the deployment of Redknee's geo-redundancy system to improve the quality and reliability of services.
- In February 2017, WOM Chile and Redknee signed a multi-million dollar transformation deal to deliver the full Redknee Unified stack and enable WOM to launch new service offerings, improve operational efficiency and create greater business value.

- On February 15, 2017, Alan Michels and Kent Thexton stepped down from the board of directors. Christy Jones and Farhan Thawar were appointed to the board.
- On February 15, 2017, the Company undertook a leadership reorganization in which Danielle Royston was appointed as Interim Chief Executive Officer and Lucas Skoczkowski was removed as Chief Executive Officer.
- On February 23, 2017, a new strategic plan for long-term growth and sustained profitability was initiated. The new strategic plan is a corporate restructuring plan that is expected to be complete in 2018. The restructuring plan is described in further detail below under “Description of the Business”.
- In March 2017, a Tier 1 CSPs in APAC signed a multi-million dollar upgrade to the latest version of Redknee Unified. The upgrade will add additional capacity and new capabilities including VoLTE.
- On March 14, 2017, the Company appointed Leela Kaza, Managing Director to Lead Strategic Global Accounts.
- On March 14, 2017, Lucas Skoczkowski resigned from the board of directors.
- On March 29, 2017, at the Annual and Special meeting of Shareholders, a resolution to amend and restate Redknee’s articles to re-designate the Common Shares of the Company as Subordinate Voting Shares was also passed by shareholders at the meeting. Articles of amendment to effect the re-designation were filed on March 29, 2017.
- On May 8, 2017, the Company entered into service agreements with Crossover Markets Inc. (“Crossover”) and DevFactory FZ-LLC (“DevFactory”), each affiliates of ESW Capital, to provide cross functional and specialized technical services for a period of six weeks.
- On May 16, 2017, the Company announced that it had entered into a non-binding letter of intent in respect of a proposed transaction that will accelerate the Company’s previously announced Strategic Plan, comprised of 1) a rights offering by the Company for a subscription price per right of no more than the Canadian dollar equivalent of \$0.50, and for aggregate gross proceeds of no less than \$54 million, which rights offering will be backstopped by Wave, for an amount of rights up to 100% of the rights offering, and 2) contemporaneously with the closing of the rights offering, the entering into of i) a services agreement (the “Crossover Services Agreement”) between the Company and Crossover or an affiliate thereof pursuant to which Crossover will provide the Company with access to service providers and ii) a technology services agreement between the Company and DevFactory FZ-LLC or an affiliate thereof (the “DevFactory Services Agreement”) pursuant to which DevFactory will provide certain technology services to the Company.

- In May 2017, a Global Tier 1 telecommunications operator in Europe, Middle East and Africa (“EMEA”) awarded Redknee a multi-country contract to upgrade and expand Redknee Unified.
- On June 9, 2017, the Company entered into a Standby Purchase Agreement with Wave and ESW Capital in connection with the rights offering, fully backstopped by Wave. The Standby Purchase Agreement provided for the issuance to Wave of a warrant to acquire 2,500,000 Subordinate Voting Shares at a price of \$0.50 per shares as a fee for providing the standby guarantee. The Company also extended its interim Services Agreements with Crossover and DevFactory. The Services Agreements, as extended, have a term until the earlier of (i) July 25, 2017, if the shareholders of Redknee Solutions Inc. have not approved the transactions contemplated by the Standby Purchase Agreement and (ii) the date the Standby Purchase Agreement is terminated.
- On June 9, 2017, the Company announced that David Charron, Chief Financial Officer, would be departing after completion of the Rights Offering, following which Anin Basu would assume the role on an interim basis with a formal search process for a permanent Chief Financial Officer to follow. The Company also announced that Vishal Kothari, Chief Operating Officer, and Chris McGrady, Vice President Human Resources, Integration Management and Corporate IT and Security would be departing within 12 months and that Mr. Kothari would continue to work with the Company as an advisor following his departure.
- In June 2017, a large Tier 1 telecommunications operator in Europe made a multi-million dollar investment in Redknee Unified. This investment is intended to enable Redknee to further enhance its existing service creation platform to provide NextGen capability.
- In June 2017, Smart Communications awarded Redknee a services and support contract for Redknee Unified.
- On July 25, 2017, the Company received shareholder approval for a \$54 million rights offering.
- On September 1, 2017, the Company announced that the rights offering was over-subscribed and as such Wave was not required to fulfill its obligations under the standby purchase agreement.
- On September 6, 2017, the Company closed the rights offering pursuant to which an aggregate of 108,519,936 Subordinate Voting Shares were issued at a subscription price of Cdn\$0.63 per share for gross proceeds to the Company of approximately Cdn\$68 million. The net proceeds of the rights offering are expected to be used to fund a restructuring of the business in furtherance of the Company’s strategic plan. Pursuant to the right previously granted to ESW to maintain its pro rata interest in the Company, Wave Systems Investment Corp., an affiliate of Wave and assignee of the Preferred Shares initially issued to Wave, agreed to subscribe for an additional 44,604,981 Subordinate Voting Shares at a price of Cdn\$0.63 per share for aggregate gross

proceeds to the Company of approximately Cdn\$28 million. As a result of the completion of the rights offering and the subsequent issuance to Wave, the exercise price of the Warrant issued to Wave in January 2017 was reduced from \$1.30 to \$0.68. The Warrant now entitles the holder thereof to acquire 46,285,582 Subordinate Voting Shares. Upon closing of the rights offering, the Company entered into further extensions of the Services Agreements with Crossover and DevFactory.

Fiscal 2016

- In October 2015, a Tier 1 operator in North America extended its contract to support its Mobile Virtual Network Enabler (“MVNE”) strategy.
- In November 2015, Redknee launched the Redknee Converged Suite, a Software platform designed to help businesses capitalize on the monetization opportunities related to IOT.
- In December 2015, Redknee launched its Intelligent Network solution for GSM-Railway (GSM-R) at ProRail, the Dutch national railway infrastructure operator.
- In February 2016, Redknee launched Redknee Unified 2016 at Mobile World Congress. The new version of Redknee’s flagship platform featured a number of new features including an integrated catalog-driven revenue management solution to support the omni-channel customer experience.
- In February 2016, the Company initiated a cost structure optimization plan to close certain offices and refocus on its activities in certain regions, resulting in headcount reductions globally.
- In February 2016, Redknee was awarded a multi-year contract to provide licenses, support and consulting services to Turk Telekom to support the launch of new LTE services.
- In February 2016, Redknee and Wipro signed a memorandum of understanding to offer comprehensive solutions to support the IT transformation projects in the area of BSS.
- In March 2016, Redknee opened a new office in Bangalore, India.
- In April 2016, Redknee received an order valued at more than \$8 million to deploy Redknee Unified to deliver upon a Tier 1 operators multi-brand growth strategy spanning multiple countries.
- In April 2016, Redknee was awarded a \$15 million contract to upgrade a Tier 1 operator in the Asia Pacific region, displacing a competitor.
- In May 2016, Redknee entered into a multi-year services contract with Ukrainian Operator Lifecell. Redknee’s solution was designed to help Lifecell to launch new and

innovative products and services, while improving service levels across multiple geographic locations.

- In June 2016, Redknee renewed a multi-million dollar services creation and support contract for a Tier 1 operator in Europe.
- In June 2016, Redknee entered into an agreement with L&T Technology Services to deliver IoT architecture for enterprises in transport, energy and insurance.
- In July 2016, Redknee won a multi-million dollar policy contract to support a Tier 1 operator EMEA.
- In July 2016, Redknee completed an upgrade project at HT Croatia, part of the Deutsche Telekom Group.
- In August 2016, Redknee won a VoLTE upgrade with a Tier 1 Operator in Europe. The solution deployed the Redknee Unified Application server and now supports more than 30 million subscribers.
- In August 2016, Redknee formed a special committee to review strategic alternatives. The special committee was comprised of Kent Thexton, Alan Michels and Stephen Davies independent members of the board of directors at that time. The special committee was formed to consider various strategic and financing alternatives potentially available to Redknee to explore shareholder value, including a potential sale of the Company. As part of the process, Redknee engaged TD Securities Inc. as financial advisor. The special committee's work culminated in the closing of the Financing Transaction.
- In August 2016, Redknee was selected by Tbaytel to monetize its multi-play services and support its digital transformation.
- In August 2016, Redknee entered into a multi-million dollar contract to enhance customer satisfaction at a Tier 1 CSPs in EMEA. The deal upgraded the CSPs to Redknee Unified 2016, the latest version of Redknee's monetization and subscriber management solution.
- In August 2016, Redknee Unified and Redknee PCS were certified by the Hewlett Packard OpenNFV Partner Program. This certification tested the product capabilities of Redknee Unified to deploy, operate, upgrade and scale Virtual Network Functions (VNF's) on the HPE Helion OpenStack Carrier-Grade platform.
- In September 2016, Redknee entered into an expanded software and service contract with Afghan Wireless.
- In September 2016, Redknee launched its solution at MGI Telecom to support MGI's clients with their monetization and subscriber management needs.

- In September 2016, Redknee entered into a waiver and amendment to its credit agreement with its Lending Syndicate.

Fiscal 2015

- In October 2014, Redknee a Tier 1 operator in EMEA signed software and services orders worth over \$10 million dollars to support the implementation of its real-time billing and charging virtualization strategy.
- In November 2014, a large national corporation in Asia Pacific signed an order worth over \$13 million dollars with Redknee to support its growth in the retail monetization sector.
- In January 2015, a leading national corporation and service provider in Asia Pacific signed a deal for \$6 million dollars with Redknee to support its growth in the energy retail sector.
- In May 2015, a leading CSP in the Americas signed an order worth more than \$14 million with Redknee to support its Mobile Virtual Network Enabler (“MVNE”) growth strategy.
- In July 2015, Redknee acquired Orga Systems for a total cash consideration of 38 million Euros.
- In August 2015, Redknee entered into an amended and restated credit agreement with its Lending Syndicate.
- In August 2015, Redknee entered into an agreement with Elster to offer an end-to-end prepay energy solution.

DESCRIPTION OF BUSINESS

OVERVIEW

Established in 1999, Redknee monetizes today's digital world for communications service providers. Our market-leading portfolio of monetization and subscriber management solutions includes real-time billing, charging, policy, and customer care modules and is available on premise, cloud-based, or as Software-as-a-Service. With a central focus on driving customer success, Redknee's products power growth and innovation for operators globally.

Pursuant to the Strategic Plan, the Company created two major operating units: "Strategic Global Accounts" and "Packaged and Cloud Solutions". The Strategic Global Accounts unit will focus on communication service providers for whom the Company provides significant,

mission critical software and services solutions. The Packaged and Cloud Solutions unit will focus on pre-integrated telecom software solutions, delivered on premise and from the cloud. The Company intends to wind down non-telecom operations outside the scope of these two operating units.

The company's software products allow communication service providers to monetize various markets, including consumer, enterprise, wholesale, and the expanding SaaS and cloud ecosystems. Redknee's software supports the introduction of new revenue streams and innovative tariffs, payment solutions, data services, and advanced customer care and subscriber self-care functionality.

The Subordinate Voting Shares of Redknee Solutions Inc. (TSX: RKN) are listed on the Toronto Stock Exchange.

The Company derives its revenue from three main geographic areas namely:

1. APAC – Asia and Pacific Rim
2. Americas – North America, Latin America and Caribbean
3. EMEA – Europe, Middle East and Africa

Redknee's highly scalable and agile, end-to-end platform supports the following market solutions:

- **Converged Billing and Customer Care** – Redknee's award-winning cloud-enabled real-time converged charging, billing, and customer care platform delivers the benefits of a flexible, end-to-end software platform, including real-time charging, billing, product catalog, order management, policy management and customer care for service providers' data, voice, and messaging services. Today, Redknee's scalable solution is supporting more than 100 million subscribers at a single customer and enables operators to launch and monetize their 4G networks and deliver advanced data services, including Voice over LTE (VoLTE), M2M, IoT, cloud services and Over the Top ("OTT") offerings.
- **Policy Management** – Redknee's Policy Management solution provides a single solution that enables service providers to take control of network resource usage, assure quality of experience for users, and offer personalized services and differentiated, service-specific charging. Redknee's Policy Management solution is key to supporting operator data monetization strategies for real-time applications, such as video streaming, interactive gaming and VoLTE.
- **Brand Challenger** – Redknee's Brand Challenger solution provides a cloud-based end-to-end converged billing solution for Mobile Network Operators ("MNOs"), MVNEs, and Mobile Virtual Network Operators ("MVNOs") to launch quickly to the market. Redknee offers a low risk business model that enables MNOs to launch a second brand, MVNEs to accelerate their growth strategies, and MVNOs to improve their differentiation in the market. In the Americas, Redknee provides the Redknee Cloud as part of its SaaS offering, and it offers a fully managed service to Tier 1 operators, MVNOs, and service providers, wanting to launch to the market quickly.

- **Wholesale Settlement** – Redknee’s Wholesale Settlement is a cloud-based solution that provides operators with greater visibility into network transactions to achieve converged settlement and accurate interconnect billing. Redknee’s solution helps service providers maximize the value of their network with a comprehensive and cost-effective interconnect, wholesale, roaming, MVNO, franchise management, and content settlement software solution.
- **Product Catalog and Order Management** – Redknee’s Product Catalog and Order Management enables customers to maximize their sales strategies while centrally managing the order management process, products and product offerings. The solution offers fast and flexible modeling of any commercial offering and supports omni-channel and any-play sales strategies by offering client products and services across multiple lines of business.
- **E-Payments** – Redknee’s e-payment solutions strengthens a customer’s ability to monetize services with the provision of different payment methods, including voucher and voucher-less payment and top-up solutions. Redknee’s solution allows service providers to offer end users the most convenient payment solutions in their market.

Redknee Services - Redknee’s Services Business Unit provides a full suite of professional services and caters to the needs of Communication Service Providers (“CSPs”), using best-in-class processes and tools to deliver agreed service levels. Services offered by Redknee include consulting services, managed services, software factory, test factory, cloud services, learning services, application services, analytics and business intelligence, revenue assurance and security services.

The Company is in the process of implementing a strategic plan approved by the Board on February 22, 2017 (the “Strategic Plan”). As part of the Strategic Plan, the Company structured its business under two principal operating units: “Strategic Global Accounts” and “Packaged and Cloud Solutions”. The Strategic Global Accounts unit focuses on communication service providers for whom the Company provides significant, mission critical software and services solutions. The Packaged and Cloud Solutions unit focuses on pre-integrated telecom software solutions, delivered on premise and from the cloud. The Company intends to wind down non-telecom operations outside the scope of these two operating units.

The Strategic Plan includes a corporate restructuring (the “Restructuring”) based on a go-forward revenue base of \$120 million, and is sufficient in a worst case scenario of up to a 25% decline from that revenue base. The Company expects the Restructuring to be complete in 2018. The Rights Offering that closed in July 2017 provided the Company with the funds necessary to implement the Restructuring.

The Company has further refined the Strategic Plan to implement a “Customer Success Program.” The Strategic Plan also will focus on (i) investing in staffing a series of cross-functional account teams to drive customer success with key strategic accounts, with the expectation being that these teams will constitute 200 people in aggregate, most of whom are not currently with the Company, (ii) the investment of approximately \$100 million in the Company’s research and development over a three-year period from 2017 to 2019 to close product gaps associated with customer success issues, and (iii) making customer success the

immediate business priority with a long-term goal of a 100% success rate. To achieve its Strategic Plan, the Company plans to, among other things, reduce headcount worldwide by approximately 500 employees and to close an aggregate of approximately 26 offices and facilities as part of the Restructuring.

Revenues

The Company recognizes revenue from the sale of software licenses, including initial perpetual licenses, term licenses, capacity increases and/or upgrades; professional services; third party hardware and software components and customer support contracts.

For the three-month period ended September 30, 2017, the Company's revenues have declined by \$6.9 million from the previous year's comparative period to \$33.8 million. The change by revenue type for the quarter ended September 30, 2017 is as follows: \$5.5 million decrease in software and services revenue, \$0.1 million increase in support and subscription revenue, and \$1.5 million decrease in third party software and hardware revenue.

For the year ended September 30, 2017, the Company's revenues have declined by \$33.2 million from the previous year to \$137.9 million. The change by revenue type for the year ended September 30, 2017 is as follows: \$19.8 million decrease in software and services revenue, \$6.7 million decrease in support and subscription revenue, and \$6.7 million decrease in third party software and hardware revenue.

The decrease in revenue in the three and twelve months ended September 30, 2017 is mainly a result of lower software and services revenue in all regions due to fewer orders from customers. The decrease in support and subscription revenue for the year ended September 30, 2017 is mainly due to fewer software implementations in the EMEA and APAC region and due to the non-renewal of certain support contracts, compared to the same period last year. Furthermore, there was also a decrease in third party software and hardware revenue mainly due to management's initiatives to reduce sale of third party software and hardware components, which have minimal contribution to overall profitability.

SUS Thousands (unaudited)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2017	2016	2017	2016
Software and Services	9,592	15,109	46,594	66,412
Support and Subscription	24,044	23,935	88,340	94,974
Third Party Software and Hardware	136	1,618	2,990	9,704
Total	33,772	40,662	137,924	171,090

Percentage of Total Revenue (unaudited)	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2017	2016	2017	2016
Software and Services	28%	37%	34%	39%
Support and Subscription	72%	59%	64%	55%
Third Party Software and Hardware	0%	4%	2%	6%
Total	100%	100%	100%	100%

For the year ended September 30, 2017 and 2016, the Company had no customer that accounted for greater than 10% of revenue. In order to minimize the risk of loss for trade receivables, the Company's extension of credit to customers involves review and approval by senior management, as well as, progress payments as contracts are performed.

The Market

Redknee is a leading global provider of real-time monetization and subscriber management software and solutions helping communication service operators to bill and charge subscribers for data, content and voice services across wireless, cable, fixed and alternate service providers around the world. As such, Redknee markets its solutions and services globally to providers that range in size from regional to multinational service providers with operations in multiple continents. Our customers offer a range of services, including new market-leading technologies such as 4G and LTE services and those starting to monetize the Internet of Things. Redknee's solutions support communications service providers targeting rapid subscriber growth through to mature communications service providers that require data monetization solutions to help them launch premium messaging, location services, mobile broadband, VoIP, and data-rich services such as mobile TV.

Sales and Marketing

Redknee's sales approach is to use both direct sales teams and resellers that market and distribute its software solutions. The direct sales force sells its software solutions in the Americas, APAC, and EMEA. The direct sales force increases visibility and market penetration, ensures long-term customer contact, and facilitates sales of additional products. Redknee supports its sales channels primarily through marketing programs including public relations, web-based initiatives, sales collateral, case studies, and participation in key industry events and trade shows. Redknee's strategy recognizes the value of a partner ecosystem and focuses on a customer-partner structure. To help ensure that Redknee contributes significantly and proactively to customers' overall strategic business objectives and retains and acquires new business through existing customers, these marketing programs support the Customer Success program implemented by Redknee in March 2017.

Competitive Environment

The market for the Company's products is intensely competitive, rapidly evolving, and subject to technological change. There are a number of companies worldwide that have emerged as competitors in the network communications Business Support Systems ("BSS") software market, which include:

- ***Service infrastructure providers*** – these are entities that provide products that enable communication service providers to offer a variety of wholesale and retail billing, real-time rating/charging and other revenue generating solutions. The Company's direct and indirect competitors in this category include, but are not limited to: Netcracker, Amdocs, CSG International, and Oracle.

- *Network infrastructure providers* – these are large, vertically integrated telecommunications equipment suppliers, including Ericsson and Huawei, which offer a broad portfolio of network infrastructure products and are positioned to bundle services software with their network and hardware offerings in order to differentiate their products.
- *Software suppliers, services suppliers and integrators* – these include generic and specialized software integration organizations that provide complex project management, software integration services and custom software development. Included in this category are divisions of companies such as Accenture, HPE, IBM and Tata Consulting Services and smaller, regional software vendors. The larger of these competitors generally provide complete turnkey solutions derived from products developed in-house or by customizing products that are developed externally. Redknee sees these competitors, in the long term, as potential channel and integration partners.

Growth Strategy

Redknee’s growth strategy is focused on existing customer retention and acquisition of new business from existing customers. To sustainably drive growth, the strategy includes investing in product development, expanding products and services, growing recurring revenue streams and investing in sales and marketing. To help ensure that Redknee contributes significantly and proactively to customers’ overall strategic business objectives and retains and acquires new business through existing customers, Redknee implemented the Customer Success program in March 2017, which:

- Is a metric unique to Redknee and not offered by any other competitor.
- Identifies, establishes and focuses on customers’ goals and overall strategic business objectives.
- Includes an action plan that is created, tracked and reviewed every six months for each Redknee customer.
- Is supported by a cross-functional team focused on executing the plan, including Customer Partners, professional services, support and engineering resources.
- Provides the new binary trigger for the corporate bonus plan and incentive pay based on the Customer Success KPI.
- Is measured by the percentage of customers, weighted by revenue, that answer “yes” to the question “Are you achieving your business objectives with Redknee?”

Research and Development

Research and development has historically been, and is expected to be, a significant portion of Redknee’s overall operating cost model, as it continues to invest in building a suite of market-leading software products for telecom vendors. Redknee believes in investing in the long-term success of its product lines for the benefit of its customers, shareholders, and the Company as a whole. The product planning efforts are led by Redknee’s product management team, who work closely with research and development, sales and delivery operations in order to define

the product roadmap requirements based on feedback from customers, the direction and requirements of industry standards, competitive offerings, as well as the overall trends of the communications and information technology industries.

Redknee uses a structured software delivery lifecycle process that leverages commercially available, as well as proprietary, tools and systems.

The Company has retained DevFactory, a related party, pursuant to the DevFactory Services Agreement to provide a technology toolset that is expected to enable the Company to better manage its technology suite. The DevFactory platform facilitates software source code management leading to improvements in the quality of the code. DevFactory's services will run proprietary diagnostics on the Company's existing code base, and on future improvements and bug fixes, to identify portions of the code that are failing or hindering functionality. DevFactory's services will highlight anti-patterns in the code base and software developers' work product. DevFactory will also improve the code base directly by enhancing its in-built testing capacity. DevFactory will write unit test code that provides early warning of introduced errors. The Company expects that the services provided by DevFactory will enable the Corporation to enhance the quality of its products, going forward.

Intellectual Property

In accordance with industry practice, Redknee protects its proprietary product rights through a combination of patent, copyright, trade-mark and trade secret laws and contractual provisions.

Patent law offers some protection for Redknee's current and future products. The Company maintains an active program regarding patent protection for novel elements of its products to improve the Company's competitive position. Redknee primarily files patent applications globally with a focus on the United States and Europe. As of September 30, 2017, Redknee had a portfolio of over 36 filed and over 144 granted patents. These numbers do not include the patents which were acquired as a result of the acquisition of Orga Systems, as the formal transfer is still ongoing. Notwithstanding any deliberate abandonment of intellectual property assets or court decisions invalidating such assets, part of Redknee's current patent portfolio will expire in 2018 and this constitutes a part of the natural evolution of Redknee's patent portfolio. Redknee has continuously made new inventions, applied for new patent applications and prosecuted the applications in the jurisdictions of choice around the world. As a result, Redknee has been continuously granted new patents in the last years so that Redknee has been able to maintain a quality patent portfolio to protect new technical and business areas of interest.

The source code for Redknee's software products and proprietary software embedded in the customer's hardware products are protected under trade secret law and as unpublished copyrighted works. Redknee recognizes, however, that effective copyright protection may not be available in some countries in which it distributes its products.

It is Redknee's general practice to enter into confidentiality and non-disclosure agreements with its employees, contractors, consultants, manufacturers, end-users, channel partners and others to attempt to limit access to and distribution of its proprietary information. In addition,

it is the Company's practice to enter into agreements with employees, contractors and consultants that include an assignment to the Company of all intellectual property developed in the course of employment.

Redknee relies on its patent portfolio as a defensive measure to help ensure that the processes used for monetizing subscriber transactions are protected from potential infringement.

Human Resources

The Company's human resources strategy is supplemented by Crossover pursuant to the Crossover Services Agreement.

Pursuant to the Crossover Services Agreement, the Company has outsourced to Crossover the recruitment and hiring of its employees and independent contractors. Through its proprietary network of resources, Crossover is expected to provide the Company with access to globally sourced personnel at competitive prices. Crossover's proprietary platform, WorkSmart™, provides a software suite which includes time tracking and productivity management that the Company is using to manage some of its service providers. Resources provided by Crossover are expected to enable the Company to dedicate personnel in countries where its customers are operating. By sourcing local talent to work directly in the regions where the Company's customers are domiciled, the Company expects to improve its customer success while optimizing its cost structure.

As of September 30, 2017 Redknee had 1,222 employees and contractors, 305 of whom are involved in delivery, 178 of whom are involved in support, 80 of whom are involved in sales and marketing, 113 of whom are involved in general administration and 546 of whom are involved in research and development. Some of the employees are represented by trade unions, works councils or other employee representative bodies and are subject to collective bargaining agreements.

Strategic Plan and Restructuring

The Company has undergone a restructuring in connection with the Financing Transaction as described further above.

In November 2017, the Company finalized a restructuring plan to reduce approximately 530 employees globally and vacate premises in 18 locations. The cost of severance and office closures is estimated to be approximately \$48 million to \$50 million. The Company is in the process of completing its negotiations with collective units in certain countries, and the total cost of restructuring will be finalized once these negotiations are completed.

Operations and Facilities

The Company's registered office is located in Toronto, Ontario, Canada. As part of the Company's strategic plan, the Company has moved away from maintaining a corporate office and, instead, employees and contractors work remotely.

The Company had leased facilities in 18 countries with its main facilities in Germany, India and Poland as of September 30, 2017.

Changes to Contracts

As of the date of this AIF, other than those contracts affected by the Restructuring and Strategic Plan discussed above and in the MD&A for the fiscal year ended September 30, 2017 (filed on SEDAR) (the “Fiscal 2017 MD&A”), Redknee does not anticipate any changes to existing contracts as a result of renegotiation or termination of contracts or sub-contracts that would have a material effect on the Company’s financial results for the year ended September 30, 2017. Contracts may be renegotiated or terminated based on circumstances of which the Company is not currently aware, including those discussed in the Fiscal 2017 MD&A (filed on SEDAR).

RISK FACTORS

The business of the Company and an investment in securities of the Company are subject to certain risks. Our shareholders and prospective purchasers of securities of the Company should carefully consider the risk factors set forth under the heading “Risk Factors” at pages 37 to 50 of the fiscal 2017 MD&A (filed on SEDAR).

The risks and uncertainties in the Fiscal 2017 MD&A are not the only ones facing the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently considers immaterial may also impair its business operations and cause the price of its Subordinate Voting Shares to decline. If any of the following risks actually occur, the Company’s business may be harmed and its financial condition and results of operations may suffer significantly. In that event, the trading price of its Subordinate Voting Shares could decline, and an investor may lose all or part of his, her or its investment.

An investment in the Company may not be suitable for all investors. Potential investors are therefore strongly recommended to consult an independent financial adviser who specializes in advising upon the acquisition of shares and other securities before making a decision to invest.

DIVIDENDS

The Company currently does not, nor has the Company paid dividends on its shares in the last three financial years. Any future determination to pay dividends will be at the discretion of the Company’s Board of Directors and will depend upon the Company’s results of operations, capital requirements, terms of the Preferred Shares and other relevant factors.

DESCRIPTION OF SHARE CAPITAL

The Company’s authorized share capital consists of an unlimited number of Subordinate Voting Shares and an unlimited number of Preferred Shares. As of September 30, 2017, there

were 261,652,353 Subordinate Voting Shares, and 800,000 Preferred Shares issued and outstanding.

Subordinate Voting Shares

The holders of the Subordinate Voting Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Company and to one vote for each share held at all meetings of shareholders of the Company, except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote.

Dividends

Subject to the prior rights of the holders of any other shares ranking senior to the Subordinate Voting Shares, the holders of the Subordinate Voting Shares shall be entitled to receive and the Company shall pay thereon, as and when declared by the board of directors of the Company out of moneys properly applicable to the payment of dividends, such dividends as the board of directors of the Company may from time to time declare.

Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of any other shares ranking senior to the Subordinate Voting Shares, the holders of the Subordinate Voting Shares shall be entitled to receive the remaining property and assets of the Company.

Restricted Securities

The Subordinate Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws.

Under applicable Canadian law, any offer to purchase the Preferred Shares, regardless of the offered price, would not require that an offer be made to purchase the Subordinate Voting Shares. The holders of the Subordinate Voting Shares do not have coattail protections which would ensure that, in the event of a takeover bid for the Preferred Shares, the holders of Subordinate Voting Shares would be entitled to participate in the transaction on an equal footing with the Preferred Shareholder, as the holder of the Preferred Shares. In the absence of any coattail protection, if a takeover bid or any other public offer or private transaction is undertaken to acquire the Preferred Shares, holders of Subordinate Voting Shares will not have the right to participate in the transaction. Furthermore, if an offer is made to acquire both the Subordinate Voting Shares and the Preferred Shares, such offer need not be made on equal terms and the Subordinate Voting Shares may be offered less than what is offered to the Preferred Shareholder, as holder of the Preferred Shares. Canadian securities regulatory authorities may intervene in the public interest to prevent an offer to holders of the Preferred Shares being made or completed where such offer is abusive of the holders of Subordinate Voting Shares who are not subject to that offer, however such a determination would be at the

discretion of the regulatory authorities and it remains possible that such a transaction could be completed by the Preferred Shareholder.

The Preferred Shares include a provision that allows the Independent Directors to redeem the Preferred Shares without the payment of a premium. In addition, the financing of any redemption of the Preferred Shares is within the discretion of the Independent Directors. These provisions are intended to limit the likelihood that a third party would pay a premium for the Preferred Shares as a means by which to acquire the right to elect a majority of the board of directors.

Partial redemptions of the Preferred Shares will not reduce the entitlement of the holders thereof to elect a majority of the Board. Accordingly, until the Preferred Shares are redeemed in full, the holders thereof will retain the same influence over the Board, regardless of their relative economic interest in the Preferred Shares.

Preferred Shares

Dividends

The Preferred Shares will be eligible to receive cumulative dividends at the rate of 10% per annum of the issue price and will be payable quarterly, if, as and when declared by the Board, provided that if such dividends are not declared and paid, they will accrue and compound monthly at the rate of 10% per annum.

Voting and Preferred Directors

For so long as any Preferred Shares are outstanding, the holders of Preferred Shares (“Preferred Shareholders”) shall be entitled to nominate and elect to the Board a majority of the number of directors of the Company at a meeting of Preferred Shareholders (such directors being the “Preferred Directors”). The Preferred Shareholders’ nominees will (subject to certain limitations) be subject to approval by the three directors elected by the holders of Subordinate Voting Shares other than the Chief Executive Officer (the “Independent Directors”).

Each of the Preferred Directors shall have one vote on all matters submitted to the Board, other than the following matters that shall be subject to the approval of the Independent Directors: (i) any redemption of Preferred Shares and any financing necessary to fund the redemption of the Preferred Shares; and (ii) for a period of four years after the Closing Date, and provided that ESW Capital does not own more than 50% of the outstanding Subordinate Voting Shares, any change of control transaction for which the value of the consideration per Subordinate Voting Share to be paid is in excess of 120% of the exercise price of the Warrant then in effect.

Other than as described above, Preferred Shareholders will not be entitled to receive notice of, attend, or vote at any meeting of shareholders of the Company, except as otherwise provided by law and except for meetings of the holders of Preferred Shares as a class or series.

Rights on Liquidation

In the event of any liquidation, dissolution or winding up of the Company or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, subject to the prior satisfaction of the claims of all creditors of the Company and of holders of shares of the Company ranking prior to the Preferred Shares, each Preferred Shareholder will be entitled to be paid an amount equal to \$100.00 per Preferred Share, plus all accrued and unpaid dividends on the Preferred Shares, up to, but excluding, the date of payment or distribution (the "Liquidation Preference") (less any tax required to be deducted and withheld by the Company), before any amount is paid or any assets of the Company are distributed to holders of any shares ranking junior as to capital to the Preferred Shares. Upon payment of such amounts, the Preferred Shareholders will not be entitled to share in any further distribution of assets of the Company.

Redemption by the Company

The Company may, at its option, subject to the terms of any shares ranking prior to the Preferred Shares and to applicable law, on at least 20 days' notice, redeem all or from time to time any part of the then outstanding Preferred Shares by payment of an amount in cash for each such Preferred Share redeemed equal to the Liquidation Preference less any tax required to be deducted and withheld by the Company. If less than all of the outstanding Preferred Shares are at any time to be redeemed, the particular Preferred Shares to be redeemed shall be selected on a pro rata basis or, if the Preferred Shares are at such time listed on a stock exchange, with the consent of the applicable stock exchange, in such other manner as the Board in their sole discretion may determine.

Redemption by Preferred Shareholders

The Preferred Shares will not be redeemable at the election of a Preferred Shareholder until ten years following the Closing Date. Thereafter, a Preferred Shareholder may at its option, on at least 60 days' prior written notice, require the Company to redeem, subject to applicable law, all, or from time to time any part, of the then outstanding Preferred Shares for an amount in cash for each such Preferred Share so redeemed equal to the Liquidation Preference less any tax required to be deducted and withheld by the Company.

Change of Control Payment

On the occurrence of a change of control of the Company, subject to the terms of any shares ranking prior to the Preferred Shares and to applicable law, the Company will have the right, without the consent of the Preferred Shareholders, to require that the Preferred Shares be purchased or otherwise acquired from Preferred Shareholders for the aggregate sum of the Liquidation Preference and a make-whole payment for any taxes incurred by the Preferred Shareholders in connection with such sale that would be incremental to taxes arising in connection with a redemption of the Preferred Shares in connection with a change of control.

Warrants

As at September 30, 2017, the Warrant granted to Wave under the Financing Transaction is outstanding which is convertible into 46,285,582 subordinate voting shares at an exercise price of \$0.68 per share. The Warrant contains anti-dilution provisions or adjustments whereby the Company will be required to make adjustments to the exercise price of the Warrant and, in certain circumstances, the total number of Warrant Shares issuable, upon the occurrence of certain prescribed events.

Upon the occurrence of a change of control of the Company, the Warrant will terminate in consideration for the payment in cash by or on behalf of the Company of an amount equal to the fair market value equivalent as determined by the Board, acting reasonably, of such cash, securities and property to which the holder of the Warrant would have been entitled upon the consummation of the change of control if the holder had exercised the rights represented by the Warrant immediately prior thereto, less the exercise price of the Warrant.

The Warrant expires on January 25, 2027.

In addition, the warrant granted to Wave under the standby purchase agreement are outstanding as at September 30, 2017 that are convertible into 2,500,000 subordinate voting shares at an exercise price of \$0.50 per share. These warrants expire on September 5, 2027.

Options

As at September 30, 2017 there were 5,185,397 stock options outstanding under the Company's Stock Option Plan with exercise prices ranging from CDN\$0.81 to CDN\$6.30 per share.

MARKET FOR SECURITIES

Redknee's Subordinate Voting Shares are publicly traded on the TSX under the symbol "RKN". Trading of Redknee's Subordinate Voting Shares on the TSX commenced on October 22, 2008. The following table sets forth the high and low sale prices in Canadian dollars and volumes traded on the TSX as reported by such exchange for the fiscal year ended September 30, 2017.

SUBORDINATE VOTING SHARES – TSX

Month	High	Low	Volume
October, 2016	2.28	1.92	1,439,622
November, 2016	1.97	1.80	985,169
December, 2016	1.93	1.51	5,355,879
January, 2017	1.79	1.54	1,807,604
February, 2017	1.65	0.97	6,637,989
March, 2017	1.36	0.99	15,457,971
April, 2017	1.12	0.98	2,329,844
May, 2017	0.99	0.74	9,594,886
June, 2017	1.09	0.78	14,696,611
July, 2017	1.11	0.84	3,990,302
August, 2017	0.91	0.69	16,422,798
September, 2017	0.80	0.69	7,298,331

PRIOR SALES

Reference is made to the disclosure under “General Development of the Business - Three Year History” for a description of the Preferred Shares issued by the Company during the fiscal year ended September 30, 2017.

ESCROWED SECURITIES

To the knowledge of the Company, there were no securities of the Company that were held in escrow as of September 30, 2017.

DIRECTORS AND OFFICERS

Directors

Our directors as at September 30, 2017 were as follows:

Name and Municipality of Residence	Principal Occupation	Director Since	Holdings of Outstanding Subordinate Voting Shares as of September 30, 2017
SCOTT BRIGHTON ⁽³⁾ Austin, Texas, United States	President and CEO, Aurea Software	January 26, 2017	See note below ⁽⁴⁾
DEMETRIOS ^{(1) (2)} ANAIPAKOS Houston, Texas, United States	Partner at AZA Law	January 26, 2017	Nil
CHRIS HELLING ⁽¹⁾ Austin, Texas, United States	Partner at Lancaster Helling, LLP	January 26, 2017	Nil
CHRISTY JONES ^{(2) (3)} Seattle, Washington	Managing Director of Carlisle Jones Venture	February 14, 2017	Nil
ANDREW PRICE ⁽³⁾ Austin, Texas, United States	Group Chief Financial Officer, ESW Capital, LLC	January 26, 2017	See note below ⁽⁴⁾
FARHAN THAWAR ⁽¹⁾ Toronto, Ontario, Canada	Chief Technology Officer of Helpful.com	February 14, 2017	Nil

⁽¹⁾ Member of Nomination and Governance Committee.

⁽²⁾ Member of Audit Committee.

⁽³⁾ Member of Compensation Committee.

⁽⁴⁾ ESW Capital and Wave own and control 73,842,555 Subordinate Voting Shares. ESW Capital and Wave are affiliated entities of each individual. Wave also holds all 800,000 of the Company's preferred shares along with warrants to purchase 48,785,582 Subordinate Voting Shares.

On October 16, 2017, Robert Stabile was appointed as Lead Independent Director and Chair of the Audit Committee.

Name and Municipality of Residence	Principal Occupation	Director Since	Holdings of Outstanding Subordinate Voting Shares as of September 30, 2017
ROBERT STABILE ⁽²⁾ Toronto, Ontario, Canada	Chief Financial Officer	October 16, 2017	Nil

Our directors as at the date of this AIF are set forth above. Each of our directors holds office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office becomes vacant by resignation, death, removal or other cause.

Scott Brighton, Non-executive Chairman of the Board

Scott Brighton was appointed to the Board in 2017. He has over 25 years of experience in technology, including enterprise software and telecommunications. Scott is President and CEO of Aurea Software, an enterprise software company that helps global enterprises create transformative experiences for their end customers, and previously served as President and CEO of Artemis International, a global project and portfolio management software company. Scott has also held several leadership and senior positions at Trilogy Software, A.T. Kearney and Arthur D Little. Scott has a BS in Computer Engineering from Bucknell University and an MBA from the Fuqua School of Business at Duke University.

Robert Stabile, Lead Independent Non-executive Director

Robert Stabile was appointed to the Board in 2017. He brings 15 years of equity capital markets experience and is currently Chief Financial Officer of Beanfield Metroconnect, a privately-owned telecommunications company. From 2011 to 2015, Robert served as a Portfolio Manager at a private-client asset management firm, LDIC Inc. From 2005 to 2011 Robert was an Institutional Equity Salesperson and Partner at Paradigm Capital. He began his capital markets career at CIBC World Markets from 2001 to 2005 in Equity Research. Robert is an Honours Business graduate from Wilfrid Laurier University in Waterloo, Ontario, and a Chartered Financial Analyst charter holder since 2001. Mr. Stabile currently serves as the Lead Independent Director of the Board and as Chair of the Audit Committee. He is considered an independent director for purposes of NI 52-110 and NI 58-101.

Demetrios Anaipakos, Non-executive Director

Demetrios Anaipakos was appointed to the Redknee board in 2017, he is a graduate of Stanford University and Stanford Law School. He has over 20 years of experience handling a wide variety of complex legal issues and disputes, with a significant emphasis in software, telecommunications, commercial, and intellectual property matters. Among these

engagements, Mr. Anaipakos has worked closely with a Canadian company as part of a very successful effort to license its patented technologies in the mobile telephony space worldwide. Mr. Anaipakos is Board Certified in Civil Trial Law by the Texas Board of Legal Specialization and has garnered numerous professional accolades, including as a Super Lawyer in every year since that designation began. His work has been featured in numerous international news publications as well as other media.

Chris Helling, Non-executive Director

Chris Helling was appointed to the Board of Directors in 2017, bringing over 20 years of corporate legal and transactional experience to the board. Chris founded Lancaster | Helling in 2001, and is responsible for corporate legal matters such as general counsel services, corporate governance, mergers and acquisitions, employment, licensing, real-estate leases, franchise relationships, debt and equity transactions and intellectual property. Prior to this Chris served as General Counsel and Chief Privacy Officer of AIM Technologies where he was responsible for the company's legal affairs. He also worked for the law firm Touchstone, Bernays, Johnston, Beall & Smith, L.L.P in Dallas, Texas. Chris holds a J.D. from SMU Dedman School of Law and B.A in Economics from Stanford University. He is a member of the State Bar of Texas, the Dallas Bar Association, the Austin Bar Association, is a Life Fellow of the Texas Bar Foundation and is admitted to practice in the United States District Courts for the Northern District of Texas.

Christy Jones, Non-executive Director

Christy joined the Board of Directors in 2017. She has extensive experience serving on Boards and has a successful career as an executive and entrepreneur bringing new technologies to market. Christy co-founded Trilogy Software, one of the largest privately held companies, where she served as Director of Marketing and Divisional General Manager through 1996. She went on to found pcOrder.com, an early innovator in internet commerce, where she served as President and led the company to become public valued at over \$1 billion. She also founded Extend Fertility and continues to serve on its Board of Directors. Christy has been honored as Ernst and Young's "National Young Entrepreneur of the Year", a "Top 100 Young Innovator" by MIT's Technology Review and as an Aspen Institute Henry Crown Fellow. She earned a Master of Business Administration from Harvard Business School and a Bachelor of Arts in Economics from Stanford University. Ms. Jones currently serves as a member of the Audit Committee and the Compensation Committee and is considered an independent director for purposes of NI 52-110 and NI 58-101.

Andrew Price, Non-executive Director

Andrew Price was appointed to the Redknee Board in 2017 bringing many years of experience as Chief Financial Officer at ESW Capital and its group of over 50 affiliated enterprise software companies where he is responsible for accounting, tax, treasury, financial planning and M&A activities. Prior to this Andrew was part of the Trilogy management team and had a successful career in software development and product management at Trilogy. Andrew holds a BA in Computer Science and BS in Electrical Engineering from Rice University.

Farhan Thawar, Non-executive Director

Farhan was appointed to the Board of Directors in 2017 and brings extensive experience as an executive with technology companies. Farhan co-founded and currently serves as Chief Technology Officer of the computer software company Helpful.com. He previously served as the Chief Technology Officer for Mobile and Vice President of Engineering at Pivotal Software, Inc. and as the Vice-President of Engineering at Xtreme Labs. In 2010, Farhan was recognized as one of "Toronto's Top 25 Most Powerful People" by Eye Weekly.

Farhan has a Master of Business Administration in Risk Management and Financial Engineering from the University of Toronto's Rotman School of Management and holds a Bachelor of Mathematics and Computer Science (with Electrical Engineering) from the University of Waterloo. Mr. Thawar currently serves as a member of the Nomination and Governance Committee and is considered an independent director for purposes of NI 52-110 and NI 58-101.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Redknee, no director or executive officer is, at the date of the AIF, or was within 10 years before the date of the AIF, a director, chief executive officer, or chief financial officer of any company, that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer, or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer.

To the knowledge of Redknee, no director or executive officer of Redknee, or a shareholder holding a sufficient number of securities of Redknee to affect materially the control of Redknee (a) is, as at the date of the AIF, or has been within the 10 years before the date of the AIF, a director or executive officer of any company (including Redknee) 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; or (b) has, within the 10 years before the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold the assets of the director, executive officer, or shareholder, except for:

- Scott Brighton was the Chief Executive Officer of Nuvo Network Management, Inc. ("Nuvo") and Andrew Price was the Chief Financial Officer of Nuvo in 2013 when Nuvo filed for bankruptcy protection under the Bankruptcy and Insolvency Act (Canada) in connection with the winding up of the business. All creditors of Nuvo were paid 100% in connection with this process.
- Scott Brighton was the President of think3, Inc. ("think3") and Andrew Price was a director of think3 in 2011 when think3 entered into Chapter 11 bankruptcy protection

- under the laws of the United States Bankruptcy Code. The filing was made after an Italian bankruptcy trustee (the "Italian Trustee") unilaterally initiated an involuntary bankruptcy proceeding in Italy by way of think3's Italian branch office. think3 refuted the Italian Trustee's positions in litigation in the United States, Japan, Germany and Dubai and the dispute was ultimately settled in connection with the Chapter 11 proceedings and the business of think3 was reorganized.
- Chris Helling was General Counsel and Chief Privacy Officer for AIM Technologies, Inc., which went through a Chapter 7 bankruptcy under the laws of the United States Bankruptcy Code in 2001.

Executive Officers

Our executive officers as of the date of this AIF were as follows:

Name and Municipality of Residence	Offices with the Company	Holdings of Outstanding Subordinate Voting Shares as of September 30, 2017
DANIELLE ROYSTON Austin, Texas, United States	Chief Executive Officer	Nil
ANINDYARAJ BASU Markham, Ontario, Canada	Interim Chief Financial Officer	27,762 Subordinate Voting Shares
LEELA KAZA Hyderabad, India	Managing Director, Global Strategic Accounts	Nil
VISHAL KOTHARI Mississauga, Ontario, Canada	Chief Operating Officer	4,664,119 Subordinate Voting Shares
CHRIS MCGRADY ¹ Sandhurst, United Kingdom	Vice President, Human Resources, Integration Management and Corporate IT & Security	37,178 Subordinate Voting Shares

¹Chris McGrady resigned from the Company effective November 24, 2017.

Danielle Royston, Chief Executive Officer

Danielle Royston is the Chief Executive Officer of Redknee, Inc. For the past 8 years she has served as a turnaround CEO for ESW Capital. Her previous experience includes more than 20 years in the enterprise software sector holding various positions at IBM, Trilogy and Freescale Semiconductor. She was at Trilogy for ten years and held a variety of positions in Human Resources, including Director of Trilogy University, Trilogy's nationally known corporate university and R&D incubator.

She has been featured in Harvard Business Review and Fast Company. Danielle earned her bachelor's degree in Computer Science in 1993 from Stanford University.

Anindyaraj Basu, Interim Chief Financial Officer

Anin Basu is the Interim Chief Financial Officer of Redknee. He is responsible for all financial and corporate matters of the company, including financial and management reporting, financial planning and analysis and investor relations, as well as Redknee's legal function. Prior to joining Redknee in August 2013, Anin was an audit partner in the Technology, Media and Telecommunications practice of KPMG Canada. He has extensive experience working with publicly-traded technology companies, as well as start-ups.

Anin holds a Bachelor of Commerce degree. He is also a member of Chartered Professional Accountants of Ontario and a member of the Institute of Chartered Accountants of India.

Vishal Kothari, Chief Operating Officer

Vishal Kothari is the Chief Operating Officer at Redknee. Vishal is responsible for Redknee's global sales, delivery and support organizations. He leads a diverse and experienced team that is responsible for all aspects of the company's sales, operations and delivery services including professional services and customer support. With more than 15 years' industry experience, Vishal has held a number of senior executive roles spanning sales, marketing and product management. Prior to Redknee, Vishal worked at Nortel Networks Limited in various positions including engineering and at Microsoft in the WinCE group within product management. Vishal has a B.A. of Science degree in Electrical Engineering from the University of Waterloo and a Masters of Engineering degree from the University of Toronto.

Chris McGrady, Vice President, Human Resources, Integration Management, and Corporate IT & Security

Chris McGrady is Vice President of Human Resources, Integration Management, and Corporate IT & Security. Chris has 25 years' experience in the IT industry, the last 20 of which have been in telco Billing. Chris joined Redknee in 2011 to lead the EMEA Operations and Global Delivery teams. Prior to joining Redknee, Chris has held delivery leadership and sales roles at Comverse, CSG, Lucent Technologies and Kenan Systems. Chris studied at the University of Oxford and holds Masters degrees in both Philosophy and Computer Science.

Leela Kaza, Managing Director, Global Strategic Accounts

Leela Kaza is the Managing Director of Global Strategic Accounts at Redknee. In this role, Leela is responsible for delivering client success by leading customer centric and cross functional teams and making investments to ensure Redknee remains a leading global monetization provider.

Leela has over 20 years of enterprise software, sales and consulting experience, including immense expertise in building and leading large global teams catering to Fortune 500 Clients. Prior to Redknee, Leela was most recently Group CEO at Versata Enterprises. He also served as General Manager at Versata where he was responsible for the High-tech, Financial Services and Professional Services divisions of the firm. Leela also worked at Sabre leading application development teams to modernize Sabre's legacy applications.

Leela holds a Master’s degree in Industrial Engineering from Clemson University, South Carolina and a Bachelor’s degree in Mechanical Engineering.

Board and Executive Officer Aggregate Ownership of Common Shares

Our directors and executive officers, as a group, beneficially own, or control or direct, directly or indirectly, a total of 78,571,615 Subordinate Voting Shares, representing 30.03% of the total outstanding common shares as of September 30, 2017.

Board Committees

The Board of Directors of the Company has established an audit committee, a compensation committee and a nomination and governance committee. Each of the committees has adopted a written charter establishing its role and responsibilities.

The chart below sets out Redknee’s current Board and committee structure as of October 16, 2017:

<u>Board</u>	<u>Audit</u>	<u>Compensation</u>	<u>Nomination and Governance</u>
Scott Brighton (Chair)		X	
Demetrios Anaipakos	X		X
Chris Helling			Chair
Christy Jones	X	X	
Farhan Thawar			X
Andrew Price		Chair	
Robert Stabile	Chair		

Audit Committee

The audit committee assists the Board of Directors in fulfilling its responsibilities for oversight and supervision of financial and accounting matters. These responsibilities include oversight of the quality and integrity of the Company’s internal controls and procedures, reviewing annual and quarterly financial statements and related management discussion and analysis, engaging the external auditor and approving independent audit fees and considering the recommendations of the independent auditor, monitoring the Company’s compliance with legal and regulatory requirements related to financial reporting and examining improprieties or suspected improprieties with respect to accounting and other matters that impact financial results. The committee is composed of three independent directors, Robert Stabile, Demetrios

Anaipakos, and Christy Jones. Each audit committee member, as at both September 30, 2017 and the date of this AIF, is “independent” and “financially literate” within the meaning of National Instrument 52-110 — Audit Committees (“NI 52-110”).

Relevant Education and Experience of Members of the Audit Committee

Robert Stabile

Mr. Stabile is currently Chief Financial Officer of Beanfield Metroconnect, a privately-owned telecommunications company. He has over 18 years of financial analysis experience. Mr. Stabile has served as a Portfolio Manager at a private-client asset management firm, LDIC Inc. and prior to that as an Institutional Equity Salesperson and Partner at Paradigm Capital. He began his career at CIBC World Markets in Equity Research. Robert is an Honours Business graduate from Wilfrid Laurier University in Waterloo, Ontario, and a Chartered Financial Analyst charterholder since 2001.

Demetrios Anaipakos

Mr. Anaipakos is a graduate of Stanford University Law School. He has over 20 years of experience handling a wide variety of complex legal issues and disputes, with a significant emphasis in software, telecommunications, commercial and intellectual property matters. Among these engagements, Mr. Anaipakos has worked closely with a Canadian company as part of a very successful effort to license its patented technologies in the mobile telephony space worldwide. Mr. Anaipakos is Board Certified in Civil Trial Law by the Texas Board of Legal Specialization and has garnered numerous professional accolades, including as a "Super Lawyer" in every year since that designation began.

Christy Jones

Ms. Jones has extensive experience in the enterprise software and technology industries. She served as President of pcOrder from 1996 to 2000 and led the company through initial and secondary public offerings on NASDAQ and ultimately through an acquisition. She went on to found Extend Fertility, Inc. and currently serves on the board of directors of Extend Fertility, LLC. She holds a Bachelor of Arts in Economics from Stanford University and earned a Master of Business Administration from Harvard Business School.

Audit Fees

As set out in the audit committee's charter (attached as Schedule A to this AIF), the audit committee is responsible for pre-approving all non-audit services to be provided to the Company by its external auditor and has pre-approved the non-audit services as set out below. The current auditors of the Company are KPMG LLP, effective December 30, 2011. The following table sets out the approximate fees the Company incurred in using the services of KPMG for the fiscal years ended September 30, 2016 and 2017 respectively.

Category	Year Ended September 30	
	2017	2016
	(\$)	(\$)
Audit Fees	857,019	800,023
Audit-related Fees	-	-
Tax Fees	215,418	286,061
All Other Fees	298,856	204,093
Total	\$1,371,294	\$1,290,177

Audit fees and audit-related fees include, among other things, fees for the audit of the annual consolidated financial statements, review of the consolidated interim financial statements, statutory audits of our subsidiaries, assistance with interpretation of accounting standards, and in fiscal 2016, services performed in connection with securities filings. Tax fees relate to various corporate tax planning and compliance related services. Other fees in fiscal 2017 include due diligence services for mergers and acquisitions. Other fees in fiscal 2016 included advisory services relating to risk management.

Compensation Committee

The compensation committee assists the Board of Directors in discharging its duties with respect to the compensation of the Company's CEO and other executive officers. The committee considers and recommends to the Board of Directors the framework or broad policy for the compensation of executives. It considers and recommends to the Board of Directors for approval the compensation of the Company's CEO and, upon recommendation of the Company's CEO, considers and approves compensation for the executives, including salary, performance incentive, long term incentives and material benefits. The committee provides oversight to the appointment and termination of executives, the approval of all management incentive plans, and the review and approval of disclosure relating to executive compensation disclosure. The committee periodically reviews the adequacy and the form of the compensation of non-management directors. The compensation committee is currently composed of one

independent director, Christy Jones, and two non-independent directors, Andrew Price (Chair), and Scott Brighton.

Nomination and Governance Committee

The Nomination and Governance Committee assists the Board of Directors in identifying candidates for the Board of Directors. The Nomination and Governance Committee also evaluates the effectiveness of the Board of Directors as a whole, each committee of the Board of Directors, and the contribution of individual directors. The Nomination and Governance Committee is currently composed of Chris Helling (Chair), Demetrios Anaipakos, and Farhan Thawar.

LEGAL PROCEEDINGS

The Company has provided routine indemnifications to its customers against liability if the Company's products infringe on a third party's intellectual property rights. The maximum exposure from these indemnifications cannot be reasonably estimated. In some cases, the Company has recourse against other parties to mitigate its risk of loss from these guarantees. The Company has never been called to perform its obligations under these indemnifications and the Company is not subject to any pending litigation in these matters.

In the normal course of operations, the Company is subject to claims from time to time, relating to labour, customers and other. The Company vigorously defends itself against such claims and reviews the probability of outcome that may result in an outflow of its cash or other resources as at each balance sheet date. Although it is not always possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse impact on the results of operations, financial position or liquidity of the Company.

The Company is defending an indemnification claim made by a customer pertaining to an intellectual property claim from a third party to the customer. The Company has made a provision reflecting the best estimate of the costs that the Company will incur associated with the claim. Although liability is not admitted, if a defense against this matter is unsuccessful, the Company may incur costs associated with this claim that will likely be settled within twelve months from September 30, 2017.

Additionally, the Company has recorded a provision of the best estimate of its obligation to settle certain claims made by terminated employees. This provision is expected to be settled within twelve months from September 30, 2017.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Annual Information Form as it pertains to transactions between the Company and ESW Capital, no director or executive officer or, to the knowledge of the Company, any person or company that beneficially owns or controls or directs, directly or indirectly, more than 10% of the common shares of the Company or any associate or affiliate

of any such persons or companies had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's common shares in Canada is Computershare Investor Services Inc. at its principal offices at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which have been entered into by the Company within the most recently completed fiscal year, or were entered into before the most recently completed fiscal year and are still in effect, deemed to be material:

- Subscription Agreement dated as of December 18, 2016 between the Company, Wave and ESW Capital.
- Standby Purchase Agreement dated as of June 8, 2017 between the Company, Wave and ESW Capital.
- The Crossover Services Agreement
- The DevFactory Services Agreement

Copies of the above material agreements may be inspected during ordinary business hours via our investor relations contact or may be viewed at the website maintained by the Canadian Securities Administrators at <http://www.sedar.com>.

INTERESTS OF EXPERTS

Our consolidated audited annual financial statements for the year ended September 30, 2017 (the "Financial Statements") filed under National Instrument 51-102—Continuous Disclosure Obligations have been audited by KPMG LLP, Toronto, Canada. The Financial Statements can be found on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Our auditors, KPMG LLP, report that they are independent of the Company within the meaning of the relevant rule and related interpretations prescribed by the relevant professional bodies in Canada and applicable legislation or regulations.

ADDITIONAL INFORMATION

Please see Schedule A of this AIF for additional information required as set out in Form 52-110F1 “Audit Committee Information Required in an AIF”.

Copies of this AIF and such other information and documentation relating to the Company that we make available via SEDAR can be found at www.sedar.com. Additional financial information is available in the Company’s audited consolidated financial statements and management’s discussion and analysis for the fiscal year ended September 30, 2017.

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under our equity compensation plans is contained in our Management Proxy Circular distributed to shareholders in connection with our annual general meeting held on March 29, 2017.

The information referred to in this AIF may also be obtained from www.redknee.com or as follows:

Justin Canivet, CFA	Telephone:	1 416 586 1942
Investor Relations Contact	E-Mail:	jcanivet@national.ca
320 Front Street West, Suite 1600		
Toronto, Ontario, Canada M5V 3B6		

SCHEDULE A

REDKNEE SOLUTIONS INC.

(the "Company")

CHARTER FOR THE AUDIT COMMITTEE

1. Constitution and Purpose

The Audit Committee (the "Committee") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of its financial statements.

2. Membership

2.1 The members of the Committee shall be appointed by the Board from amongst the directors of the Company (the "Directors") and shall be comprised of not less than three members. All of the members of the Committee shall be independent Directors, as that term is defined under applicable law.

2.2 All members of the Committee must be financially literate, as that term is defined under applicable law.

2.3 The Chairman of the Committee, who shall be an independent non-executive Director, shall be appointed by the Board, which shall determine the period for which he/she shall hold office.

2.4 Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all its powers so long as a quorum remains in office.

2.5 A quorum for decisions of the Committee shall be two members.

3. Attendance at meetings

3.1 The Chairman of the Board, the Chief Executive Officer and Chief Financial Officer of the Company and a representative of the external auditors of the Company (the "Company's Auditors") may, if invited by the Chairman of the Committee, attend and speak at meetings of the Committee. Other Board members may also, if invited by the Chairman of the Committee, attend and speak at meetings of the Committee.

3.2 The Committee may also invite other members of management to attend meetings and give presentations with respect to their area of responsibility, as considered necessary by the Committee.

3.3 At least once each year, representatives of the Company's Auditors shall meet the Committee without any executive Directors being present.

3.4 The Committee may at each meeting appoint one of their number or any other attendee to be the Secretary of the Committee.

3.5 The Chair of the Committee may attend, when possible at the Annual General Meeting of the Company, in order to respond to any shareholder questions on the activities and responsibilities of the Company.

4. Frequency of meetings

4.1 The Committee shall meet at least quarterly and at such other times as the Chairman of the Committee shall require. The Company's Auditors, the Board or any member of the Committee may request a meeting if they consider that one is necessary.

4.2 At least seven days' notice of any meeting of the Committee shall be given, although such notice may be waived or shortened with the consent of all the members of the Committee.

5. Authority

5.1 The Committee is authorised by the Board to investigate any matter under its responsibility. The Committee is authorized to have direct communication with the Company's Auditors. The Committee is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee. The Committee shall have unrestricted access to the books and records of the Company.

5.2 The Committee is authorized by the Board to obtain, at the cost of the Company, outside professional advice if it considers this appropriate. In obtaining outside advice, the Committee will act in consultation with the Chairman of the Company.

6. Duties

6.1 The duties of the Committee shall be:

- (a) to consider and make recommendations to the Board, for it to put to the shareholders for their approval in a general meeting, in relation to the appointment, re-appointment and removal of the Company's Auditors and to approve the remuneration and terms of engagement of the Company's Auditors;
- (b) to require the Company's Auditors to report directly to the Committee;
- (c) to discuss with the Company's Auditors, before an audit commences, the nature and scope of the audit, and other relevant matters and ensure co-ordination where more than one audit firm is involved;
- (d) to review and monitor:
 - (i) the independence and objectivity of the Company's Auditors; and
 - (ii) the effectiveness of the audit process;

- taking into consideration relevant professional and regulatory requirements;
- (e) to review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former Auditor of the Company;
 - (f) to monitor in discussion with the Company's Auditors the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them and in particular to review the interim and annual financial statements, including any related management statements, before submission to the Board, focusing particularly on:
 - (i) significant accounting policies and practices and any changes in such accounting policies and practices;
 - (ii) major judgmental areas including significant estimates and key assumptions;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the going concern assumption;
 - (v) compliance with accounting standards;
 - (vi) compliance with stock exchange and legal requirements;
 - (vii) significant litigation and investigations of regulatory agencies;
 - (viii) the extent to which the financial statements are affected by any unusual transaction; and
 - (ix) significant off-balance sheet and contingent asset and liabilities and the related disclosures;
 - (g) to review the Company's financial statements, Management's Discussion & Analysis, Annual Information Form and earnings press releases prior to their public disclosure and to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements;
 - (h) to discuss problems and reservations arising from an audit, and any matters the Company's Auditors may wish to discuss (in the absence of management where necessary);
 - (i) to review the Company's Auditors' management letter and management's response;

- (j) to oversee the design, implementation and assessment of an effective system of disclosure controls and procedures, and internal control over financial reporting;
- (k) to monitor and review the Company's Policy on Confidentiality and Disclosure on an annual basis;
- (l) to review and approve the mandate of the Company's Disclosure Committee and on a quarterly basis, receive the report of the Disclosure Committee with respect to the Disclosure Committee's activities during the quarter, which is the subject of the report;
- (m) on an annual basis, to receive the report of the Disclosure Committee with respect to the results of the self-assessment of the Company's Disclosure Controls and Procedures including any control deficiencies identified and to review, consider and make recommendations on related corrective actions to be taken;
- (n) to review management's assessment of the effectiveness of the Company's internal control over financial reporting as of the end of the most recent fiscal year;
- (o) to review any significant deficiencies or material weaknesses identified by management with respect to the Company's internal control over financial reporting and to monitor management's plans for remediation of such control deficiencies or weaknesses;
- (p) to review and discuss any fraud or alleged fraud involving management or other employees who have a role in the Company's system of internal control over financial reporting and the related corrective and disciplinary actions to be taken;
- (q) to discuss with management any significant changes in the system of internal control over financial reporting that are disclosed, or considered for disclosure, in the Management's Discussion & Analysis, on a quarterly basis;
- (r) to review and discuss with the Chief Executive Officer and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual and interim filings with the securities commissions;
- (s) to review the Company's risk management program established to effectively identify, assess and treat the Company's key risks including the risk of fraud and to receive an annual report thereon;
- (t) to monitor and review the effectiveness of any internal audit function, ensure co-ordination between the internal and external auditors and ensure that it is

adequately resourced and has appropriate standing within the Company (and where there is no internal audit function, consider annually whether there is a need for an internal audit function and make a recommendation to the Board);

- (u) to develop and implement a pre-approval policy on the engagement of the Company's Auditors to supply non-audit services to the Company and its subsidiaries, taking into account relevant ethical guidance regarding the provision of non-audit services by the Company's Auditors; and to report to the Board, identifying any matters in respect of which the Committee considers that action or improvement is needed and to make recommendations as to the steps to be taken;
- (v) to establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
 - (iii) the proportionate and independent investigation of such matters with appropriate follow-up action
- (w) to consider the major findings of the Company's Auditors, or any internal investigations and management's response, including the resolution of disagreements between management and the Company's Auditors regarding financial reporting;
- (x) to review management's roles, responsibilities and performance with respect to financial reporting and system of internal control;
- (y) to, at least annually, review the qualifications and performance of the lead partners(s) of the Company's Auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors; and
- (z) to consider other matters referred to the Committee by the Board.

7. Procedures

- 7.1 The Secretary of the Committee shall circulate the minutes of meetings of the Committee to all members of the Board and to the Company's Auditors. All decisions and recommendations of the Committee shall be reported to the Board after each Committee meeting.

- 7.2 The Chairman of the Committee shall be available at the Annual General Meeting of the Company to respond to any shareholder questions on the activities and responsibilities of the Committee.
- 7.3 In setting the agenda for a meeting, the Chairman of the Committee shall encourage the Committee members, management, the Company's Auditors and other members of the Board to provide input in order to address emerging issues.
- 7.4 Prior to the beginning of a fiscal year, the Committee shall submit an agenda for the upcoming fiscal year for review and approval by the Board to ensure compliance with the requirements of this Charter.
- 7.5 Any written material provided to the Committee shall be appropriately balanced (i.e. relevant and concise) and shall be distributed in advance of the respective meeting to allow Committee members sufficient time to review and understand the information.
- 7.6 The Committee shall conduct an annual self-assessment of its performance and this Charter and shall make recommendations to the Board with respect thereto.
- 7.7 Members of the Committee shall be provided with appropriate and timely training to enhance their understanding of auditing, accounting, regulatory and industry issues applicable to the Company.
- 7.8 New Committee members shall be provided with an orientation program to educate them on the Company, their responsibilities and the Company's financial reporting and accounting practices.

8. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements as well as in the context of the Company's article and By-laws, it is not intended to establish any legally binding obligations.