



**REDKNEE**  
Looking Beyond

# **REDKNEE SOLUTIONS INC.**

**NOTICE OF  
ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MARCH 11, 2015**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS  
Wednesday, March 11, 2015**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting (the “Meeting”) of holders of common shares of Redknee Solutions Inc. (the “Corporation”) will be held on Wednesday, March 11, 2015, at the TMX Broadcast Centre, The Exchange Tower 130 King Street West, Toronto, Ontario M5X 1J2 commencing at 9:00am for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the fiscal year ended September 30, 2014 together with the auditors’ report thereon;
2. to elect directors;
3. to re-appoint auditors and to authorize the directors to fix the remuneration of the auditors; and
5. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

This notice is accompanied by a form of proxy (“Form of Proxy”) and the management information circular (the “Circular”) The specific details of the foregoing matters to be put before the Meeting are set forth in the management information circular. The board of directors (the “Board”) of the Corporation have fixed the close of business on February 4, 2015 as the record date for the determination of the shareholders (the “Shareholders”) entitled to notice of, and to vote at, the Meeting, and any adjournment thereof.

Registered Shareholders who are unable to attend the meeting in person may complete, date and sign the enclosed Form of Proxy and send it in the enclosed envelope or otherwise to the attention of the Proxy Department of Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1. To be effective, a proxy must be received not later than 9:00 a.m. on March 9, 2015. Instead of mailing your proxy, you may choose to vote using the telephone or the Internet. To vote using the telephone, call (866) 732-8683. To vote using the Internet log on to [www.investorvote.com](http://www.investorvote.com). If you vote by telephone or the internet, do not mail back your proxy. Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the management nominees named on the reverse of your proxy.

Non-registered Shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

DATED at Toronto, this 4th day of February 2015.

**BY ORDER OF THE BOARD OF DIRECTORS**  
*“Lucas Skoczkowski”*  
**Lucas Skoczkowski**  
Chief Executive Officer



**REDKNEE**  
Looking Beyond

## **REDKNEE SOLUTIONS INC.**

### **MANAGEMENT INFORMATION CIRCULAR**

In this management information circular (the “Circular”) all information provided is current as of February 4, 2015 unless otherwise indicated.

#### **FOREIGN CURRENCY**

In this Circular, unless otherwise specified or the context otherwise requires, all references to \$ are to U.S. dollars and all references to “CDN \$” are to Canadian dollars. For Fiscal 2014, all currency amounts, except where otherwise indicated, have been converted into U.S. dollars at end-of-day foreign exchange rate on September 30, 2014, the last business day of fiscal 2014. At that date, the exchange rate, as reported by the Bank of Canada, was CDN \$1.00 = US\$0.8916.

#### **SOLICITATION OF PROXIES**

**THIS CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION, BY OR ON BEHALF OF THE MANAGEMENT OF REDKNEE SOLUTIONS INC. (“REDKNEE” OR THE “CORPORATION”), OF PROXIES TO BE USED AT THE CORPORATION’S ANNUAL GENERAL MEETING OF THE HOLDERS OF COMMON SHARES OF THE CORPORATION (THE “COMMON SHARES”) TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING (THE “NOTICE OF MEETING”) OR AT ANY ADJOURNMENT THEREOF.**

It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation’s transfer agent, Computershare Investor Services Inc., at nominal cost. The cost of soliciting will be borne by the Corporation.

#### **APPOINTMENT OF PROXIES**

**THE PERSONS SPECIFIED IN THE ENCLOSED FORM OF PROXY ARE AUTHORIZED REPRESENTATIVES OF THE CORPORATION. EACH SHAREHOLDER HAS THE RIGHT TO APPOINT AS PROXYHOLDER A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION) TO ATTEND, ACT AND VOTE FOR SUCH SHAREHOLDER AT THE MEETING OTHER THAN THOSE NAMED IN THE ENCLOSED FORM OF PROXY.**

A person or company whose name appears on the books and records of the Corporation as a holder of Common Shares is a registered shareholder (“Registered Shareholder”). A non-registered shareholder (“Non-registered Shareholder”) is a beneficial owner of Common Shares whose Common Shares are registered in the name of an intermediary (such as a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates).

## **Registered Shareholders**

A Registered Shareholder can vote Common Shares owned by it at the Meeting in one of two ways: (i) in person at the Meeting or (ii) by proxy. A Registered Shareholder who wishes to vote in person at the Meeting should not complete or return the Form of Proxy included with this Circular. A Registered Shareholder desiring to appoint some person other than those named in the enclosed Form of Proxy to represent such Registered Shareholder at the meeting may do so either by inserting such person's name in the blank space provided in the enclosed Form of Proxy and striking out the names of the two specified persons or by completing another proper Form of Proxy and, in either case, delivering the completed proxy to the Corporation, c/o Computershare Investor Services Inc., the Corporation's Registrar and Transfer Agent, at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, by no later than 9:00 am (Toronto time) on March 9, 2015, or, in the case of any adjournment of the Meeting, by no later than 9:00 am (Toronto time) on the second business day immediately preceding any adjournment thereof. Alternatively, you may choose to vote using the telephone or the Internet by following the instructions on your Form of Proxy. Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the management nominees named on the reverse of the Form of Proxy.

## **Non-Registered Shareholders**

Non-registered Shareholders who receive these materials through their broker or other intermediary should complete and send the Form of Proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, the Form of Proxy must be received by Computershare Investor Services Inc. no later than March 9, 2015 at 9:00 a.m. (Toronto time), or in the case of any adjournment of the Meeting, on the second business day immediately preceding any adjournment thereof.

The Corporation has distributed copies of the Form of Proxy and Circular (the "Meeting Materials") to intermediaries for distribution to Non-registered Shareholders. Unless you have waived your right to receive the Meeting Materials, intermediaries are required to deliver them to you as a Non-registered Shareholder of the Corporation and to seek your instructions on how to vote your Common Shares. Typically, a Non-registered Shareholder will be given a voting instruction form which must be completed and signed by the Non-registered Shareholder in accordance with the instructions on the form. The purpose of these procedures is to allow Non-registered Shareholders to direct the voting of those Common Shares that they own but which are not registered in their own name.

Please note that the Corporation has limited access to the names of its Non-registered Shareholders. If you attend the Meeting, the Corporation may have no record of your shareholdings or of your entitlement to vote unless your intermediary has appointed you as proxy holder. If you are a Non-registered Shareholder and wish to attend and vote in person at the Meeting, you must insert your own name in the space provided for the appointment of proxy holder on the voting instruction form and carefully follow the instructions for return of the executed form. Do not otherwise complete the form as your vote will be taken at the Meeting. Please register with the Corporation's transfer agent, Computershare Investor Services Inc., upon arrival at the Meeting.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the Non-registered Shareholder with respect to the voting of Common Shares will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such

matter. Common Shares represented by intermediary “non-votes” will, however, be counted in determining whether there is a quorum.

### **REVOCATION OF PROXIES**

A Shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the Shareholder or by the Shareholder’s attorney, who is authorized in writing, at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the chairman of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A Shareholder may also revoke a proxy in any other manner permitted by law.

### **VOTING OF PROXIES**

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Corporation in the enclosed Form of Proxy will be voted or withheld from voting in accordance with the instructions given on the Form of Proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed Form of Proxy will be voted on such matters pursuant to such discretionary authority.

### **VOTING OF COMMON SHARES**

#### **Voting Common Shares**

As at the date of this Circular, the issued and outstanding capital of the Corporation consists of 109,088,984 Common Shares, each carrying the right to one vote per share at all meetings of Shareholders. A simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

#### **Record Date**

The record date for the purpose of determining the Shareholders entitled to receive notice of and votes at the Meeting (the “Record Date”) has been fixed as February 4, 2015.

#### **Principal Shareholders**

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular no person beneficially owns, directly or indirectly, or controls or directs voting securities carrying 10% or

more of the voting rights attached to the outstanding Common Shares of the Corporation, other than Turtle Creek Asset Management Inc., which disclosed in an alternative monthly report that as of December 31, 2014 it exercised control over 11,178,313 Common Shares representing 10.25% of the outstanding shares as at February 4, 2015.

### **INTEREST IN MATTERS TO BE ACTED UPON**

The Corporation is not aware of any material interest of any director or nominee director, or executive officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, other than the election of directors.

### **MATTERS TO BE ACTED UPON AT MEETING**

#### **1. Financial Statements – Year-end 2014**

A copy of the Corporation's consolidated financial statements for the year ended September 30, 2014 and the auditor's report thereon was mailed to all Registered Shareholders and intermediaries.

#### **2. Election of Directors**

The number of directors to be elected at the Meeting is six (6). Under the by-laws of the Corporation, directors of the Corporation are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed in accordance with the by-laws.

All of the proposed nominees presently serve as directors of the Corporation and have served since the dates set forth in the table below. There are no contracts, arrangements or understandings between any director or executive officer or any other person pursuant to which any of the nominees has been nominated.

Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed Form of Proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as at February 4, 2015. The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

<b>Nominee Name and Place of Residence</b>	<b>Principal Occupation</b>	<b>Became Director</b>	<b>Common Shares</b>	<b>Options</b>
Stephen Davies <sup>(1)(2)</sup> Hemel Hempstead Herts, England, United Kingdom	Chairman Creativity Software	January 9, 2007	128,730	20,000
Greg Jacobsen <sup>(3)</sup> Littleton, Colorado, United States	Retired	May 4, 2011	NIL	NIL
Alan Michels <sup>(1)(3)</sup> Scottsdale, Arizona, United States	Corporate Director and Investor	December 10, 2008	100,000	20,000
Terry Nickerson <sup>(1)(2)</sup> Oakville, Ontario, Canada	Corporate Director	October 5, 2010	50,000	NIL
Lucas Skoczowski Oakville, Ontario, Canada	Chief Executive Officer, Redknee	November 1, 2006	8,894,941	1,804,601
Kent Thexton, Chairman <sup>(1)(2)(3)</sup> Toronto, Ontario, Canada	Chairman Redknee	November 1, 2006	867,285	57,500

<sup>(1)</sup> Member of Audit Committee.

<sup>(2)</sup> Member of Compensation Committee.

<sup>(3)</sup> Member of Nomination and Governance Committee.

#### **STEPHEN DAVIES –**

Mr. Davies joined the Board in January 2007. Mr. Davies has worked in the internet and telecom industry for over 30 years. Prior to joining Redknee's Board, Mr. Davies served as a director of O2 Group, plc. Mr. Davies is currently Chairman of Creativity Software, a supplier of location services solutions. Mr. Davies is Chairman of the Compensation Committee.

#### **GREG JACOBSEN –**

Mr. Jacobsen joined Redknee's Board in May 2011. He is a senior executive with over 30 years of diverse experience in telecommunications, information technology and software. Mr. Jacobsen was employed by Capgemini from January 2003 to March 2011. As Group Sector Leader - Telecom, Media & Entertainment (“TME”) of Capgemini, Mr. Jacobsen led Capgemini’s global TME practice of over 4,000 business and technology consultants and over \$1B in worldwide sales. His career spans consulting, outsourcing, systems integration, sales, marketing and executive management. A three-time CEO, he is an entrepreneur, having founded two successful firms, and has worked within large corporations such as Electronic Data Systems Inc. and MCI. Mr. Jacobsen is Chairman of Redknee's Nomination and Governance Committee.

#### **ALAN MICHELS –**

Mr. Michels joined Redknee’s Board in December 2008. Previously, Mr. Michels served as President of Kenan Systems Inc., President and CEO of Telewest Communications, Plc. and as Chief Financial Officer

in the telecom and software industries. Mr. Michels holds a Master of Business Administration in Finance, and a Bachelor of History degree from Rutgers, the State University of New Jersey-New Brunswick. Mr. Michels is Chairman of Redknee's Audit Committee and a member of Redknee's Nomination and Governance Committee and .

**TERRY NICKERSON –**

Mr. Nickerson joined Redknee's Board in October 2010. Prior to joining Redknee's Board, Mr. Nickerson held several senior financial positions at ATI Technologies, Inc., Northern Telecom Ltd., IBM Canada and the Molson Companies. Mr. Nickerson has been a director of several technology company boards since 2005. Mr. Nickerson holds a Bachelors of Science degree in Metallurgical Engineering from Queens University and a Master of Business Administration from Harvard University. Mr. Nickerson is a member of Redknee's Audit Committee and a member of Redknee's Compensation Committee.

**LUCAS SKOCZKOWSKI –**

As Redknee's founder and first employee, Lucas Skoczowski has been directing the execution of Redknee's business activities and corporate operations since 1999. In his years at Redknee, he has led the development of the company's product portfolio and a global organization of exceptional talent resulting in continuous growth and a strong recurring revenue stream. Prior to Redknee, Lucas gained considerable experience in sales, operations, business and product development with a variety of international companies including Nortel Networks (USA, UK, Canada) and Clearnet Communications Inc. In 2014 Lucas was featured in the Global Telecoms Business list of top 100 most influential executives in the telecoms business for 2014. Lucas has been honored with the Ernst & Young Entrepreneur of the Year Award in the Information Technology sector for Ontario as well as a Top 40 Under 40 Award for Canada. Lucas sits on the Board for Redknee and previously sat on the Board of Directors for 20/20 Technologies. He is a member of the Dean's Development Council for the Faculty of Engineering at the University of Waterloo. Lucas has a Bachelor of Science in Electrical Engineering from the University of Waterloo, where he was a Loran Scholar.

**KENT THEXTON –**

Mr. Thexton has over 23 years of international wireless experience and executive positions at major wireless carriers. Mr. Thexton is now engaged in building and growing a range of technology companies. As well as Chairman of the Board of Redknee, Mr. Thexton is the Managing Director of OMERS Ventures. In this role he is responsible for leading investment activities and supporting portfolio companies in the North American market. Mr. Thexton also sits on the Sierra Wireless board (TSX: SW, Nasdaq: SWIR) and is Chairman of its Human Resources Committee. Mr. Thexton also Chairs Mobidia (a private technology company). Mr. Thexton co-founded i-wireless LLC, a US MVNO. Previously, Mr. Thexton was Chairman and CEO of SEVEN, having joined SEVEN from leading UK operator O2, where he served as chief data and marketing officer, president of O2 Online and a member of the board of directors. Prior to joining O2, Mr. Thexton spent eight years in the Canadian mobile industry, holding the position of Chief Operating Officer and Executive Vice President of Rogers Cantel (now Rogers Wireless). Prior to this he held management positions at Northern Telecom and Bell Canada. Mr. Thexton holds an M.B.A. and B.S. in electrical engineering from University of Western Ontario. Mr. Thexton is a member of all of Redknee's board committees.

Messrs. Davies, Michels, Jacobsen, Nickerson and Thexton are independent directors.

Shareholders will vote for the election of each individual director separately. The Corporation has adopted a majority voting policy for the election of directors whereby any nominee director (in an uncontested election) who is not elected by at least a majority (50%+1 vote), of the votes cast with respect to his or her election in person or by proxy, will be considered by the Board to have not received the support of the

shareholders of the Corporation and is expected to immediately tender his or her resignation to the Board, to take effect upon acceptance by the Board. The Board will, within 90 days of receiving the final voting results, determine whether to accept such director’s offer to resign. See “Statement of Corporate Governance Practices – Majority Voting Policy”.

**In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed Form of Proxy intend to vote FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated below opposite the proposed nominee’s name.**

### **3. Appointment of Auditors**

The current auditors of the Corporation are KPMG LLP, effective December 30, 2011. At the Meeting, the holders of Common Shares will be requested to appoint KPMG LLP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix the auditors’ remuneration.

The following table sets out the approximate fees the Corporation incurred in using the services of KPMG LLP for the fiscal years ended September 30, 2014 and 2013 respectively.

Category	Year Ended September 30	
	2014	2013
	(\$)	(\$)
Audit Fees	929,396	958,308
Audit-related Fees	60,042	189,694
Tax Fees	288,143	169,890
All Other Fees	20,784	247,971
Total	<u>\$1,298,365</u>	<u>\$1,565,863</u>

**In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed Form of Proxy intend to vote FOR the appointment of KPMG LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board to fix the remuneration of the auditors.**

### **4. Other Matters**

The Corporation knows of no other matters to be brought before the Meeting. If any amendment, variation or other business is properly brought before the Meeting, the enclosed Form of Proxy and voting instruction confers discretion on the persons named on the Form of Proxy to vote on such matters.

### **STATEMENT OF EXECUTIVE COMPENSATION**

The Corporation’s executive compensation policies and practices, including information about the compensation of the CEO, the CFO and the three other most highly compensated officers of the Corporation, who were serving as executive officers of the Corporation on September 30, 2014 (collectively, the “Named Executive Officers” or “NEOs”) are discussed in this section.

## **Compensation Discussion and Analysis**

### *Compensation Philosophy and Policy*

The Compensation Committee of the Board is responsible for annually reviewing the Corporation's compensation philosophy and policy that rewards the creation of shareholder value and reflects an appropriate balance between short and long-term performance. The compensation philosophy of the Corporation is based on the following two principles: reward performance and market competitive pay. To determine market competitive pay the Compensation Committee considered companies within the same industry and of comparable size to the Corporation to assess whether the Corporation's base salaries, short term incentives and long term incentives are competitive. Although the Corporation is a Canadian company, it has global operations and as a result, the Corporation's compensation policies and practices reflect the fact that the Corporation competes for both business and talent on a global scale and must attract and retain key employees in various markets. The Corporation's merit-based compensation policies are intended to provide the highest rewards to employees who contribute the most to the success of the Corporation. This philosophy is applied across the Corporation, including the NEOs.

### *Role of the Compensation Committee*

The Compensation Committee of the Board is responsible for oversight of the Corporation's compensation policies and practices in support of the Corporation's business strategy. The Compensation Committee is generally responsible for, among other things:

- A. reviewing, considering and making recommendations to the Board regarding:
  - i. the Corporation's executive compensation policy;
  - ii. the total compensation of the CEO and the base salary of other executives;
  - iii. review the adequacy and form of compensation of Independent Directors;
  - iv. all aspects of any share option scheme, share unit plan or other compensation plan operated by or to be established by the Corporation (including the selection of eligible employees, timing of grants, the number of shares over which options, units or other forms of compensation are to be granted and the exercise price; and vesting conditions);
  - v. the corporate goals and objectives relevant to the compensation of the CEO and evaluation of the CEO's performance in light of those corporate goals and objectives; and
  - vi. the compensation and other material benefits to be paid to other executives, based upon recommendations from the CEO, and
  
- B. reviewing, considering and approving:
  - i. the eligibility of executives for performance incentive pay and benefits under long term incentives and to formulate suitable performance related criteria and monitor their operation in respect of any element of compensation for executives which is performance related, based upon recommendations from the CEO;
  - ii. the disclosure of compensation in accordance with securities and stock exchange regulations; and
  - iii. the terms of the contracts entered into with executives and any material changes to them, based upon recommendation from the CEO.

The Compensation Committee is authorized to investigate any matter under its responsibility, to seek any information it requires from any employee and to obtain, at the cost of the Corporation, outside professional advice if it considers it appropriate to do so. The Compensation Committee meets at least twice a year and conducts an annual self-assessment of its performance and its Charter.

The Compensation Committee considers the implications of the risks associated with the Corporation's compensation policies and practices. The Compensation Committee concluded that the Corporation has policies and practises to ensure that the NEOs do not have incentives to take inappropriate or excessive risks, including the following:

- an appropriate mix of fixed and variable compensation, and an appropriate weighting of sharebased compensation;
- quantitative and qualitative Corporation-wide metrics are used to determine the amount of awards to NEOs pursuant to the Corporation's short-term incentive plan;
- there is a comprehensive Code of Conduct and a Whistle Blower Policy that encourages reporting of imprudent corporate behaviour;
- the Compensation Committee is comprised entirely of independent directors; and
- the entire Board reviews the Corporation's risk inventory, ensuring that all members of the Compensation Committee have an understanding of the Corporation's enterprise risks, when making its decisions in respect of compensation.

The Compensation Committee has not identified any risks associated with the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

The Corporation has adopted an Insider Policy which prohibits insiders of Redknee from purchasing financial instruments that directly hedge or offset a decrease in market value of securities of Redknee.

The Compensation Committee is comprised of the following three directors: Stephen Davies (Chairman), Kent Thexton and Terry Nickerson, all of whom are considered "independent" (as such term is defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110")). In addition to each member's general business experience (see their biographical information under "*Matters To Be Acted Upon At the Meeting – 2. Election of Directors*") the following direct experience (and the skills gained from this experience) is also relevant to their responsibilities as a member of the Compensation Committee to make decisions on the suitability of the Corporation's compensation policies and practices.

**Stephen Davies** – Mr. Davies has held a number of management positions which included responsibility for compensation matters, including the compensation design for multi-national operations with Genie Internet where he built and ran sales and operational business units in six European countries and five Asian countries. Mr. Davies has been a director and chairman of various public (AIM listed) companies and has been chair of the compensation committee of other companies.

**Kent Thexton** – Mr. Thexton is Chairman of the Sierra Wireless compensation committee where he works with compensation consultants to design their compensation programs. He has extensive executive management and board experience where he had responsibility for executive compensation matters, including determining CEO compensation.

**Terry Nickerson** – Mr. Nickerson's management roles with IBM Corporation, Northern Telecom Ltd. and ATI Technologies, Inc. included responsibility for compensation matters, including designing compensation structures for management. He was responsible for designing an incentive structure for senior executives, including the CEO, at Northern Telecom Ltd. As a board member of Silicon Storage Technology, Inc. Mr. Nickerson hired and worked with compensation consultants to create a competitive incentive structure for executives. Mr. Nickerson was previously the Chair of the Compensation Committee of ViXS Systems Inc., a private semiconductor designer and manufacturer.

### *Compensation Consultant*

Longnecker & Associates was originally engaged on April 3, 2013 by the Compensation Committee to conduct an independent, third party compensation analysis of the Corporation's top ten executives and provide analysis, conclusions and recommended considerations. Longnecker & Associates' objectives were to review the total direct compensation (base salary, annual incentives and long term incentives) for the Corporation's executives and the Board; assess the competitiveness of the executive compensation as compared to the Corporation's peer group and published survey sources in the high tech industry; and conduct a peer analysis for the Corporation to establish a peer group who were operationally and financially similar to the Corporation.

On February 12, 2014 the Compensation Committee engaged Longnecker & Associates for a second time to conduct an independent third party review of the Corporation's total direct compensation and evaluate the Corporation's progress towards public company market competitive compensation packages. Longnecker & Associates' objectives were to review and provide recommendations regarding Redknee's peer group and review total direct compensation packages (base salary, annual incentives, and long-term incentives) for the Corporation's management team and Board and evaluate the Corporation's progress towards market competitive compensation alignment for 2014. As part of its analysis Longnecker and Associates used the following peer group of public companies which were selected for their operational and financial similarities to the Corporation:

Compuware Corporation	Micro Focus International plc
Net 1 Ueps Technologies Inc.	NetSuite Inc.
Ciber Inc.	Ordina NV
CSG Systems International Inc.	NetScout Systems, Inc.
ACI Worldwide, Inc.	The Ultimate Software Group, Inc.
UXC Limited	Aspen Technology, Inc
Optimal Payments Plc	Synchronoss Technologies, Inc.
SolarWinds, Inc.	Bottomline Technologies (de), Inc.
TechnologyOne Limited	

The following are the fees which were paid to Longnecker and Associates:

Category	Year Ended September 30, 2014	Year Ended September 30, 2013
Executive Compensation Related Fees	\$ 8,750	\$ 42,000
All Other Fees	Nil	Nil
Total	<b>\$ 8,750</b>	<b>\$ 42,000</b>

### **Elements of Executive Compensation**

See "Statement of Corporate Governance Practices – Board Committees – Compensation Committee" for further information regarding the responsibilities of the Compensation Committee.

The Corporation's compensation policies and practices are structured to attract and retain key employees, reward them for performance and align the Corporation's interests. The compensation payable to the Corporation's employees consists of three main elements: base salary, short term incentives, and long term equity-based incentives in the form of options and share unit awards. The following table summarizes the purpose of each element.

<b>Element of Compensation</b>	<b>Summary and Purpose of Elements</b>
Base Salary	Base salaries are established by taking into account individual performance and experience, level of responsibility and competitive pay practices. Base salaries are periodically reviewed and adjusted appropriately to reflect individual performance and market changes.
Short Term Incentives	The Corporation's annual performance plans are intended to focus and reward executives on the achievement of current year financial targets, key Corporation and/or group objectives and some individual performance objectives. Financial thresholds are approved by the Board at the commencement of the fiscal year and are required to be met for payments to be made according to plan criteria.
Long Term Incentives	The Corporation's equity-based compensation plans were established to provide long-term incentives to attract, motivate and retain certain key employees, officers and service providers with the knowledge, experience and expertise required by the Corporation, as well as promote further alignment of interests between those individuals and the Corporation.

All employees of the Corporation receive compensation based on market value for the type of role they perform. Additional consideration is given to internal pay equity and performance. Each element of compensation is taken into consideration when determining each other element of compensation for each executive.

#### *Base Salary*

Base salary recommendations are determined based on market data for positions of similar responsibilities and complexity, on internal comparisons and on the individual's ability, experience and contribution level. Base salaries are considered also in the full context of any accompanying Short Term Incentives and Long Term Incentives. Base salaries for each NEO are established in employment agreements with the Corporation and are reviewed as required in consideration of market pressures.

#### *Short Term Incentives*

All permanent full time executives and certain employees have the opportunity to earn an annual performance incentive pay reflective of their position. All executives and eligible employees have specific goals based on factors such as individual performance and corporate performance relating to revenue, profitability, cash on hand, individual performance and customer satisfaction. The corporate targets are established by the CEO and CFO on an annual basis for review by the Compensation Committee and if approved, are recommended for approval by the Board. For fiscal 2014, the CEO's performance incentive pay was entirely based on factors related to corporate performance. Seventy-five (75%) of the CFO's and other NEOs' short term incentives were based on factors related to corporate performance, with twenty-five (25%) based on factors related to individual performance.

## *Long Term Incentives*

The Corporation will not provide further details regarding the key performance indicators as it believes that the disclosure of such information could seriously prejudice its interests, and as same constitutes strategic confidential information. In light of the fact that the Corporation does not publicly disclose its targets and does not wish to give forward-looking information, the Corporation believes that it is not desirable to disclose such information. Furthermore, the Corporation's key performance indicators are aligned with the Corporation's objectives and consist of financial targets.

### *Stock Option Plan*

Options to purchase Common Shares are granted to the NEOs and other key employees to sustain commitment to long-term profitability and to maximize shareholder value over the long term. The vesting of these Options granted after August 8, 2012 is over four years with 10% in the first year, 20% in the second year, 30% in the third year and 40% in the fourth year in the case of the NEOs in order to achieve this long term objective. Stock option grants made before August 8, 2012 vest in increments of 25% per year over four years. The following table shows the vesting of options held by each of the NEOs.

In December 2010, the Board, based on a recommendation by the Compensation Committee reduced the expiry date for newly-issued stock options from ten (10) years to seven (7) years following the date of grant at an exercise price equal to the closing market price of the Common Shares on the TSX on the date of the grant or two (2) clear trading days after grant if the grant is made in conjunction with the release of interim or fiscal financial results. Stock options are granted to NEOs from time to time based on various factors, including individual performance and contribution.

Under the terms and conditions of the Stock Option Plan, participants are granted options which, once vested, are exercisable for periods of time determined by the Board, based on the recommendations of the Compensation Committee. When determining whether and how many new options are to be granted, the Compensation Committee of the Board will consider a number of factors including salary, position and level of responsibility within the Corporation and the amount and terms of outstanding options.

Further information about the Stock Option Plan is set out below under "*Equity Compensation Plan Information – Stock Option Plan*" below.

### *Restricted and Performance Share Unit Plan*

In 2010, the Board, based on the recommendation of the Compensation Committee, introduced a restricted share unit plan (the "RSU Plan") which enables eligible individuals to receive the right to receive a share or the market value of one share, that generally becomes vested after a period of continuous employment and/or is subject to financial and/or personal performance criterion as may be determined by the Compensation Committee or the Board from time to time. In December 2013, the Board approved the grant of Performance Share Units ("PSUs") as part of the Long Term Incentive Plan to NEOs. The PSUs granted were based on a three year Long Term Measures of Success performance threshold to be vested as follows: financial year 2014 vesting at 25% of grant, financial year 2015 vesting at 30% of grant, and financial year 2016 vesting at 45% of grant.

In November 2014, the Board approved the vesting of 60% of the eligible PSU grant for financial year 2014 performance, due to total financial targets not being achieved.

Further information about the RSU Plan is set out below under “*Equity Compensation Plan Information – Restricted and Performance Share Unit Plan*” below.

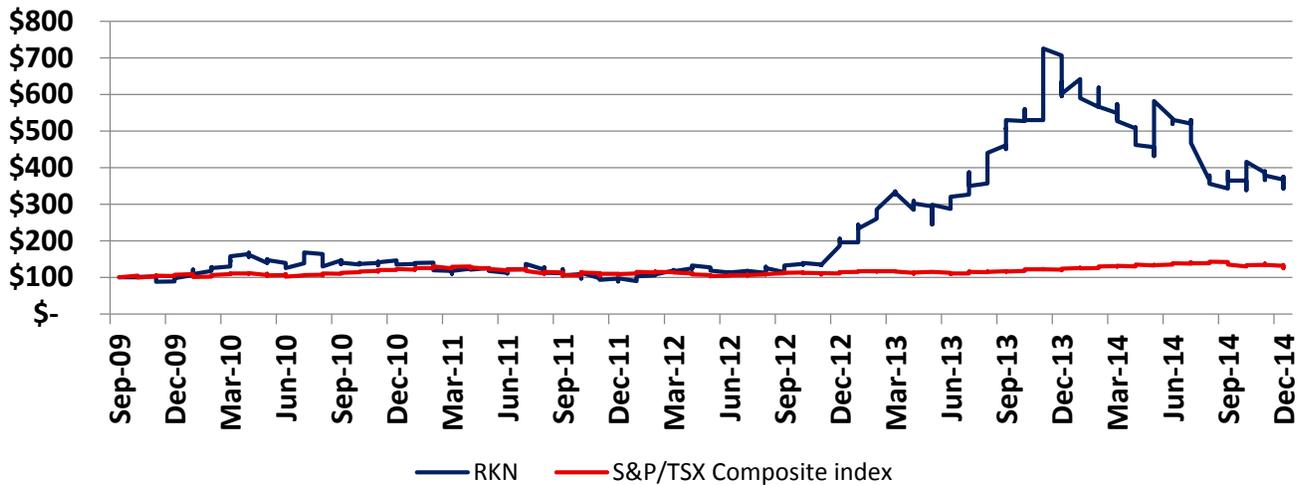
*Employee Share Purchase Plan*

All permanent, full time or part-time Canadian employees, including the NEOs, are eligible to participate in the Corporation’s Employee Share Purchase Plan (“ESPP”). In January 2014, the Board approved the global expansion of the ESPP. In addition to Canada, all permanent full time or part-time employees in the United States, United Kingdom, Germany, Poland and India are eligible to participate in the ESPP. This is a voluntary plan that provides employees of the Corporation with the ability to purchase shares of the Corporation through payroll deductions. Employees can contribute an amount equal to up to 15% of their base annual earnings to the Employee Share Purchase Plan. The Corporation matches 20% of the employee’s contribution.

## Performance Graph

The following graph shows the total cumulative return from the time that the Corporation became a reporting issuer (October 22, 2008) to December 31, 2014 on an investment of \$100, compared to the S&P/TSX Composite Total Return Index.

### Cumulative Value of a \$100 Investment



Redknee became a reporting issuer when its Common Shares were listed on the Toronto Stock Exchange (“TSX”) on October 22, 2008. The NEOs’ compensation plan is not based on the Corporation’s stock price performance and therefore the NEOs’ compensation may not directly compare to the trend shown above.

## Summary Compensation Table

The following table sets forth information regarding compensation earned by the Corporation's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), and each of the three other executive officers who had the highest aggregate compensation, for the year ended September 30, 2014 (collectively, the "Named Executive Officers"):

Name and Principal Position	Year	Salary <sup>(1)</sup> \$	Share based awards <sup>(2)</sup> \$	Option-based awards <sup>(3)</sup> \$	Non- equity incentive plan compensation \$		All other compensation \$ <sup>(4)</sup>	Total compensation \$
					Annual Incentive plans	Long-term incentive plans		
Lucas Skoczowski Chief Executive Officer	2014	414,594	518,243	518,243	95,357	-	-	1,546,437
	2013	418,089	-	-	235,481	-	-	653,570
	2012	401,557	203,320	174,991	158,274	-	-	938,142
David Charron Chief Financial Officer	2014	240,732	240,732	240,732	49,832	-	-	772,028
	2013	240,644	-	-	119,250	-	-	359,894
	2012	228,735	203,320	174,991	75,131	-	-	682,177
Vishal Kothari Chief Operating Officer	2014	267,480	267,480	267,480	7,845	-	-	810,285
	2013	267,383	-	-	153,465	-	-	420,848
	2012	254,150	203,320	174,991	125,217	-	-	757,678
Chris Newton-Smith Vice President, Marketing	2014	230,962	125,381	125,381	34,529	-	-	516,253
	2013	242,913	-	-	85,729	-	-	328,642
	2012	237,008	-	-	79,481	-	-	316,489
Chris McGrady Vice President, Human Resources, Integration Management, and Corporate IT & Security	2014	214,736	125,381	125,381	24,949	-	-	490,447
	2013	213,990	-	-	73,407	-	-	287,397
	2012	192,840	-	-	57,006	-	-	249,846

(1) All compensation is paid in Canadian dollars, Euros and British pounds ("GBP"). For 2014, amounts included in this table have been converted to US dollars at foreign exchange rate on the last business day as reported by the Bank of Canada, which was 1 CDN dollar = US\$0.8916, 1 GBP = US\$1.6188 and 1 Euro = US\$1.2613 at September 30, 2014. For 2013, amounts included in this table have been converted to US dollars at foreign exchange rate on the last business day as reported by the Bank of Canada, which was 1 CDN dollar = US\$0.9723, 1 GBP = US\$1.6178 and 1 Euro = US\$1.3534 at September 30, 2013. For 2012, amounts included in this table have been converted to US dollars at foreign exchange rate on the last business day as reported by the Bank of Canada, which was 1 CDN dollar = US\$1.0166, 1 GBP = US\$1.6132 and 1 Euro = US\$1.2856 at September 30, 2012.

(2) This represents the performance share units granted in accordance with the terms and conditions of the RSU Plan. These are based on the fair value of the award on the grant date and awarded in Canadian dollars. For 2014, the value noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014. For 2012, the value noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$1.0166 US being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2012, the last business day of fiscal 2012.

(3) The grant date fair value of a stock option is determined using the Black-Scholes model. This model is used as it is the model used to value stock options for the purposes of the Corporation's consolidated financial statements. In determining the grant date fair value of options granted on December 11, 2013, assumption and estimates used included 52.3% volatility factor, 4% risk-free rate and 5-year expected life. In determining the grant date fair value of options granted on August 8, 2012, assumptions and estimates used included a 57.5% volatility factor, 1.2% risk-free rate and 5-year expected life.

(4) “All Other Compensation” does not include benefits received by the NEOs which are available generally to all our salaried employees. The total value of all perquisites and other personal benefits for each NEO is excluded as it is less than 10% of the NEO’s total salary for the financial year and less than CDN\$50,000.

After fiscal 2013, life insurance policies were purchased by the Corporation for the following individuals the CEO, CFO and Mr. Kothari which provide for a CDN\$1 million dollar payout to the executive for critical illnesses and, in addition to the group disability plan, CDN\$8,000 per month for the CEO and Mr. Kothari and CDN\$6,000 per month for the CFO in respect of a disability.

**Outstanding share-based awards and option-based awards**

The following table sets forth for each Named Executive Officer all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year:

Name	Option-based Awards				Share-based Awards		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money option <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(3)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(4)</sup>
Lucas Skoczowski Chief Executive Officer	255,054 325,000 550,000	5.62 0.98 0.32	11 Dec 20 08 Aug 19 13 Mar 19	- 773,686 1,672,196	69,196	232,591	44,176
David Charron Chief Financial Officer	118,477 300,000 275,000	5.62 0.98 1.11	11 Dec 20 08 Aug 19 14 Aug 19	- 714,172 617,879	32,143	108,043	20,517
Vishal Kothari Chief Operating Officer	131,640 305,000 175,000	5.62 0.98 0.32	11 Dec 20 08 Aug 19 13 Mar 19	- 714,172 532,062	35,714	120,047	22,800
Chris Newton-Smith Vice President, Marketing	61,707 292,500 37,500	5.62 0.98 1.34	11 Dec 20 08 Aug 19 01 Dec 17	- 696,317 75,897	16,741	56,272	10,687
Chris McGrady Vice President, Human Resources, Integration Management, and Corporate IT & Security	61,707 100,000	5.62 1.05	11 Dec 20 03 Aug 18	- 230,924	16,741	56,272	10,687

(1) All options were granted with Canadian dollar exercise prices. The exercise prices noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014.

(2) The value of unexercised in-the-money options has been calculated using the difference between the closing price of the Corporation's Common Shares on the TSX as at September 30, 2014 (CDN\$3.77) and the option exercise price. No adjustment has been made for options that have not yet vested and are therefore not yet exercisable. The values noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014.

(3) The value of unvested RSUs has been calculated using the closing price of the Corporation's Common Shares on the TSX as at September 30, 2014 (CDN\$3.77). The values noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 US being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014.

(4) The total value of RSUs vested during fiscal 2014. The value noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 US being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014.

### **Incentive plan awards - value vested or earned during the year**

The following table sets forth details of the value vested or earned during the most recently completed financial year for each incentive plan award:

<b>Name</b>	<b>Option-based awards- Value vested during the year <sup>(1)</sup></b> <b>(\$)</b>	<b>Share-based awards- Value vested during the year <sup>(2)</sup></b> <b>(\$)</b>	<b>Non-equity incentive plan compensation- Value earned during the year</b> <b>(\$)</b>
Lucas Skoczowski Chief Executive Officer	152,419	44,176	-
David Charron Chief Financial Officer	152,419	20,517	-
Vishal Kothari Chief Operating Officer	152,419	22,800	-
Chris Newton- Smith Vice President, Marketing	349,686	10,687	-
Chris McGrady Vice President, Human Resources, Integration Management, and Corporate IT & Security	80,021	10,687	-

<sup>(1)</sup> The total value of stock options that vested in fiscal 2014. The value is equal to the difference between the closing price of the Corporation's Common Shares on the TSX on the vesting date and the Canadian dollar option exercise price. The value noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014.

<sup>(2)</sup> The total value of RSUs vested during fiscal 2014. The value noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014.

## **Employment Contracts for Named Executive Officers**

The Corporation has entered into employment agreements with each of the Named Executive Officers, the material terms of which are summarized below.

**Lucas Skoczkowski** is employed as the Chief Executive Officer pursuant to the terms of a service agreement with Redknee dated October 1, 2006 and amended on October 1, 2010. The agreement can be terminated by Redknee at any time for cause or by Mr. Skoczkowski upon 12 months' notice. If Mr. Skoczkowski's employment is terminated by Redknee without cause at any time, then Mr. Skoczkowski is entitled to all outstanding and accrued salary, performance incentive pay, vacation pay, and 24 months of current salary plus a performance incentive pay equal to 100 percent of his base salary for this period, continuation of benefit coverage for 24 months or a payment of an amount equal to such coverage, and the immediate vesting of 100 percent of his unvested RSUs (defined under "*Equity Compensation Plan Information – Restricted and Performance Share Unit Plan*" below). If Mr. Skoczkowski's employment is terminated without cause within 12 months after the occurrence of a change in control of Redknee, then Mr. Skoczkowski is entitled to all outstanding and accrued salary, performance incentive pay, and vacation pay, and 24 months of current base salary plus a performance incentive pay equal to 24 months' base salary, continuation of benefit coverage for 24 months, or a payment of an amount equal to such coverage, and immediate vesting of 100 percent of his unvested RSUs. Mr. Skoczkowski is subject to certain non-competition and non-solicitation covenants for a period of 12 months following the termination of his employment. Effective April 1, 2013 Mr. Skoczkowski is paid a base salary of CDN\$465,000 and is eligible to receive an annual performance incentive of 100% of his base salary for achieving financial objectives as determined and set by the Board.

**David Charron** is employed as the Chief Financial Officer pursuant to the terms of a service agreement with Redknee dated August 1, 2009 and amended effective December 1, 2011. The agreement can be terminated by Redknee at any time for cause or by Mr. Charron upon six (6) months' notice. If Mr. Charron's employment is terminated by Redknee without cause at any time, then Mr. Charron is entitled to all outstanding and accrued salary and vacation pay, a performance incentive pay amount equal to 50 percent of the total base salary paid or earned for the current fiscal year up to the last day of active employment, twelve (12) months of current salary, an amount in respect of performance incentive pay of 50 percent of twelve (12) months' salary, continuation of benefit coverage for twelve (12) months or a payment of an amount equal to such coverage, and the immediate vesting of those of his unvested options due to vest within twelve (12) months, exercisable for up to 42 months or the date of expiry of the options, whichever is earlier. If Mr. Charron's employment is terminated without cause or Mr. Charron resigns, in either case within 12 months after the occurrence of a change in control of Redknee, then Mr. Charron is entitled to all outstanding and accrued salary and vacation pay, a performance incentive pay amount equal to 50 percent of the total base salary paid or earned for the current fiscal year up to the last day of active employment, 12 months of current salary, an amount in respect of performance incentive pay of 50 percent of 12 months' salary, continuation of benefit coverage for 12 months or a payment of an amount equal to such coverage, and only in the event that Mr. Charron is terminated without cause within the first 6 months, the immediate vesting of 25 percent of his unvested options. Mr. Charron is subject to certain non-competition and non-solicitation covenants for a period of 6 months following the termination of his employment. Effective April 1, 2013 Mr. Charron is paid a base salary of CDN\$270,000 and is eligible to receive an annual performance incentive of 90% of his base salary for achieving financial objectives as recommended by the CEO and approved by the Compensation Committee.

**Vishal Kothari** is employed as the Chief Operating Officer pursuant to the terms of a service agreement with Redknee dated November 14, 2006, as amended effective October 1, 2011. The agreement can be terminated by Redknee at any time for cause or by Mr. Kothari upon 2 months' notice. If Mr. Kothari's employment is terminated by Redknee without cause at any time, then Mr. Kothari is entitled to all outstanding and accrued salary, performance incentive pay, and vacation pay, 12 months of current salary, an amount in respect of his performance incentive pay equal to 100 percent of base salary, continuation of benefit coverage for 12 months or a payment of an amount equal to such coverage, and the immediate vesting of 25 percent of his unvested options (not including the March 13, 2009 option grant to executives, which has been specifically excluded from any accelerated vesting rights under applicable contracts of employment arising from termination or change of control related to a going private transaction), exercisable for up to 5 years or the date of expiry of the options, whichever is earlier. If Mr. Kothari's employment is terminated without cause or Mr. Kothari resigns, in either case within 12 months after the occurrence of a change in control of Redknee, then Mr. Kothari is entitled to all outstanding and accrued salary, performance incentive pay, and vacation pay, 18 months of current salary plus a performance incentive pay equal to 100 percent of 18 months' base salary, continuation of benefit coverage for 12 months, or a payment of an amount equal to such coverage, and only if Mr. Kothari is terminated without cause within the first 6 months, the immediate vesting of 25 percent of his options and all then vested options are exercisable for up to 5 years or the date of expiry of the options, whichever is earlier. Mr. Kothari is subject to certain non-competition and non-solicitation covenants for a period of 12 months following the termination of his employment. Effective April 1, 2013, Mr. Kothari is paid a base salary of CDN\$300,000 and is eligible to receive an annual performance incentive pay of 90% of his base salary for achieving financial objectives as determined and set by the CEO.

**Chris Newton-Smith** is employed as the Vice President, Marketing pursuant to the terms of an employment agreement with Redknee dated November 29, 2006. The agreement can be terminated by Redknee for any reason upon six months' notice and in the event of a material breach of the employment agreement by Mr. Newton-Smith or if Redknee has reasonable grounds to believe he is guilty of gross misconduct or gross negligence, Redknee can terminate the agreement without any notice or payment in lieu of notice. Mr. Newton-Smith can resign with six months' notice. Mr. Newton-Smith is subject, following the termination of his employment, to certain non-competition covenants for a period of four months and non-solicitation covenants for a period of 12 months. Effective April 1, 2013, Mr. Newton-Smith is paid a base salary of GBP142,675 and is eligible to receive annual performance pay of 65% of his base salary for achieving financial objectives as determined and set by the CEO and approved by the Compensation Committee

**Chris McGrady** is employed as the Vice President, Human Resources, Integration Management, and Corporate IT & Security pursuant to the terms of an employment agreement with Redknee dated April 13, 2011. The agreement can be terminated by Redknee for any reason upon four weeks' notice and in the event of a material breach of the employment agreement by Mr. McGrady or if Redknee has reasonable grounds to believe he is guilty of gross misconduct or gross negligence, Redknee can terminate the agreement without any notice or payment in lieu of notice. Mr. McGrady can resign with four weeks' notice. Mr. McGrady is subject, following the termination of his employment, to certain non-competition covenants for a period of four months and non-solicitation covenants for a period of 12 months. Effective March 1, 2014, Mr. McGrady is paid a base salary of GBP135,725 and is eligible to receive annual performance pay of 50% of his base salary for achieving financial objectives as determined and set by the CEO and approved by the Compensation Committee.

### *Quantitative Estimates of Payments to NEOs upon Termination*

Further information regarding payments to the Corporation's NEOs in the event of a termination may be found in the table below. This table sets forth the estimated amount of payments each NEO would be entitled to receive upon the occurrence of the indicated event, assuming that the event occurred on September 30, 2014. The amounts indicate an entire year and assume no vacation time has been taken, resulting in an entire year of accrued vacation time at time of termination.

<u>Name</u>	<u>Cost of notice</u>	<u>Cost of incentive pay</u>	<u>Cost of vacation pay</u>
Lucas Skoczkowski	CDN\$930,000	CDN\$930,000	CDN\$44,711
David Charron	CDN\$270,000	CDN\$270,000	CDN\$20,769
Vishal Kothari	CDN\$300,000	CDN\$570,000	CDN\$23,077
Chris Newton-Smith	GBP71,337.50	None	GBP13,719
Chris McGrady	GBP10,440	None	GBP10,440

### **DIRECTOR COMPENSATION**

#### Elements of Director Compensation

Directors' compensation is paid only to non-management Directors. Similar to the Corporation's general compensation policy, directors' compensation policies and practices reflect the fact that the Corporation is a global company that carries out its business and requires expertise in various markets and jurisdictions. For the year ended September 30, 2014, compensation to non-executive Directors, was composed of the following: (a) annual board retainers ("Annual Board Retainer"), and (b) annual retainers for committee chairpersons.

#### *Fees Earned*

Each non-management Director is paid an Annual Board Retainer of CDN\$50,000, which amount was paid quarterly in arrears.

Non-management Directors are also entitled to an annual retainer for each of the committees of the Board on which he or she serves as a Chairperson. In fiscal 2013, the Chairman of the Board was paid a retainer of CDN\$35,000, the Chairman of the Audit Committee was paid a retainer of CDN\$18,000, the Chairman of the Compensation Committee was paid a retainer of CDN\$14,000, the Chairman of the Nomination and Governance Committee was paid a retainer of CDN\$10,000. Each member of the Board committees was paid a retainer of CDN\$5,000. All such retainers were paid quarterly in arrears.

#### *Equity-Based Compensation for Directors*

##### *Deferred Share Units*

On August 11, 2010 the Corporation established a deferred share unit plan (the "DSU Plan") to promote a greater alignment of long-term interests between eligible directors and shareholders of the Corporation

and to provide a compensation system for eligible directors that, together with the other director compensation mechanisms of the Corporation, is reflective of the responsibility, commitment and risk accompanying a Board member's membership and the performance of the duties required of the various Board Committees. An eligible director may elect to receive his or her annual cash remuneration in the form of deferred share units ("DSUs"), cash or any combination thereof.

In addition to the DSUs granted, the Board may award such number of DSUs to an eligible director as the Board deems advisable to provide the eligible director with appropriate equity-based compensation for the services he or she renders to the Corporation. The Board will determine the date on which such DSUs may be granted and the date as of which such DSUs will be credited to a participant's DSU account, together with any terms or conditions with respect to the vesting of such DSUs.

An eligible director, or the beneficiary of an eligible director, as the case may be, who redeems DSUs hereunder will be entitled to receive a cash payment in an amount equal to the fair value of the DSUs that are being redeemed as of the entitlement date applicable to such DSUs, net of any applicable withholding taxes and other required source deductions.

In fiscal 2014, the Compensation Committee, awarded all non-management directors a total DSU allocation of CDN\$120,000. The award of DSUs was pursuant to the review and recommendation of Longnecker & Associates, which aimed to align the Corporation's director compensation with that of its comparator group.

### ***Out of Pocket Expenses***

Non-management Directors are also reimbursed for expenses incurred by them in their capacity as directors.

### **Director Compensation Table for Fiscal Year Ended September 30, 2014**

The following table sets forth compensation earned by the directors of the Corporation (other than Lucas Skoczkowski, who is not separately compensated for his service as director and whose compensation is reflected in the "Summary Compensation Table" under "Statement of Executive Compensation" above) for the fiscal year ended September 30, 2014:

<b>Name</b>	<b>Fee Earned (\$)</b>	<b>Share-Based Awards (\$)</b>	<b>Option-Based Awards (\$)</b>	<b>All other compensation (\$)</b>	<b>Total <sup>(4)</sup> (\$)</b>
Stephen Davies <sup>(1)</sup>	59,291	106,992	-	-	166,283
Greg Jacobsen <sup>(2)</sup>	49,038	106,992	-	-	156,030
Alan Michels <sup>(2)</sup>	55,725	106,992	-	-	162,717
Terry Nickerson <sup>(3)</sup>	65,087	106,992	-	-	172,079
Kent Thexton <sup>(3)</sup>	89,160	106,992	-	-	196,152

<sup>(1)</sup> Fees for Mr. Davies are paid in GBP.

<sup>(2)</sup> Fees for Mr. Jacobsen and Mr. Michels are paid in US dollars.

<sup>(3)</sup> Fees for Mr. Nickerson and Mr. Thexton are paid in Canadian dollars.

<sup>(4)</sup> For 2014, amounts included in this table have been converted to US dollars at foreign exchange rate on the last business day as reported by the Bank of Canada, which was 1 GBP = US\$1.6188 and 1 CDN dollar = US\$0.8916 at September 30, 2014.

## **Outstanding share-based awards and option-based awards for Directors as at September 30, 2014**

The following table sets forth all unexercised options outstanding as of September 30, 2014 for each director of the Corporation (other than Lucas Skoczowski, who is not separately compensated for his service as director and whose unexercised options are reflected in the table entitled “Outstanding share-based awards and option-based awards as at September 30, 2014” under “*Statement of Executive Compensation*” above).

Name	Option-based Awards				Share-based Awards <sup>(3)</sup>		
	Number of securities underlying unexercised options (#)	Option exercise price (\$) <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(4)</sup>	Market or payout or value of vested share-based awards not paid out or distributed (\$)
Stephen Davies	20,000	0.57	30 Jun 18	55,814	-		317,017
Greg Jacobsen	-	-	-	-	-		285,428
Alan Michels	20,000	0.21	10 Dec 18	63,125	-		317,017
Terry Nickerson	-	-	-	-	-		277,025
Kent Thexton	37,500 20,000	1.08 0.57	16 May 15 30 Jun 18	85,594 55,814	-		317,017

<sup>(1)</sup> The exercise prices noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014.

<sup>(2)</sup> The value of unexercised in the money options has been calculated using the difference between the closing price of the Corporation’s Common Shares on the TSX as at September 30, 2014 (CDN\$3.77) and the option exercise price. No adjustment has been made for options that have not yet vested and are therefore not yet exercisable. Director options vest immediately. The value noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014.

<sup>(3)</sup> The market value of DSUs that have vested was determined using the closing price of the Common Shares on the TSX as at September 30, 2014 (CDN\$3.77). The value noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014.

<sup>(4)</sup> All directors’ options vest in increments of 25% per year over four years.

## Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned during the most recently completed financial year for each incentive plan award:

Name	Option-based awards- Value vested during the year (\$)	Share-based awards-Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Stephen Davies	-	72,931	-
Greg Jacobsen	-	72,931	-
Alan Michels	-	72,931	-
Terry Nickerson	-	72,931	-
Kent Thexton	-	72,931	-

<sup>(1)</sup> DSUs vest on grant, however, are not paid to the director until the director ceases to serve on the Board. The values noted in this table have been converted to US dollars at foreign exchange rate of 1 CDN dollar = US\$0.8916 being the end-of-day foreign exchange rate reported by the Bank of Canada on September 30, 2014, the last business day of fiscal 2014.

## EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth certain information with respect to the Stock Option Plan and obligations assumed on behalf of the Corporation's predecessor company as at September 30, 2014.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
<i>Equity Compensation plans approved by securityholders</i>	138,934 <sup>(1)</sup> 4,517,062 <sup>(2)</sup>	0.64 2.14	- 6,234,377
<i>Equity Compensation plans not approved by securityholders</i>	-	-	-
<b>Total</b>	4,655,996	2.10	6,234,377

<sup>(1)</sup> Options outstanding under the predecessor company's Stock Option Plan dated January 9, 2007.

<sup>(2)</sup> Options outstanding under the Corporation's Stock Option Plan dated October 16, 2008.

## Stock Option Plan

The Corporation adopted the Stock Option Plan to provide long-term incentives to attract, motivate and retain its employees, directors, officers and service providers. Prior to becoming a reporting issuer, Redknee assumed responsibility for the stock option plan in place at one of its predecessor companies, the

remaining outstanding options for which are outlined in the *Equity Compensation Plan Information* table shown above. No more options are issuable under that plan. The following is a description of certain provisions of the Stock Option Plan that is currently in place and active for the Corporation.

(a) *Eligibility*

Under the Stock Option Plan, the Corporation may grant options to (i) any of its or its affiliates' (as defined in the *Securities Act* (Ontario)) directors, officers or employees, or any service provider (an "Eligible Individual"), or (ii) a corporation controlled by an Eligible Individual, the issued and outstanding voting shares of which are, and will continue to be, beneficially owned, directly or indirectly, by such Eligible Individual and/or the spouse, children and/or grandchildren of such Eligible Individual.

(b) *Grant of Options, Exercise Price and Vesting*

The maximum number of Common Shares that may be issued by the Corporation to participants pursuant to options granted and outstanding under the Stock Option Plan or other share compensation arrangements is 10% of the total issued and outstanding Common Shares of the Corporation on the date of the grant. Stock options representing 5,387,569 Common Shares have been granted (which represent approximately 4.95% of the total issued and outstanding Common Shares). Of these, 4,655,996 options granted remain unexercised (which represent approximately 4.28% of the total issued and outstanding Common Shares).

Following completion of a Qualified IPO, no stock options can be granted to any Eligible Individual if the total number of Common Shares issuable to such person under the Stock Option Plan, together with shares reserved for issuance to such person under options for services or any other stock option plans would exceed 5% (5,445,187) of the issued and outstanding Common Shares of the Corporation. The total number of Common Shares (i) issuable to Insiders at any time; and (ii) issued to Insiders within a one year period (pursuant to stock options or other share compensation arrangements) shall not exceed 10% (10,890,373) of the issued and outstanding Common Shares of the Corporation. The total number of Common Shares issuable to an Insider and their associates within a one year period (pursuant to stock options or other share compensation arrangements) shall not exceed 5% (5,445,187) of the issued and outstanding Common Shares of the Corporation. The total number of Common Shares reserved for issuance pursuant to stock options granted to non-executive directors shall not exceed 0.5% of the issued and outstanding Common Shares of the Corporation.

The Stock Option Plan defines "share compensation arrangements" as a stock option, stock option plan, stock purchase plan where the issuer provides financial assistance or matches the whole or a portion of the purchase price of the securities being purchased, stock appreciation rights involving the issuance of securities from treasury, or any other compensation or incentive mechanism involving the issuance or potential issuance of securities to one or more of an employee, Insider or Service Provider of the Corporation or any affiliate of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guaranty or otherwise.

An Insider under the Stock Option Plan is defined in accordance with the *Securities Act* (Ontario), other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, but includes an associate of any person who is an Insider.

When granting options, the Corporation will designate the maximum number of the Corporation's Common Shares that may be purchased under the options, taking into account the amount and terms of outstanding options and shares to establish the exercise price of the options, designate the conditions under which the options will vest, determine the expiry date for exercise of the options (which shall be no later

than 7 years after the date the options are granted), and with respect to options granted to US residents or citizens, whether the option is intended to constitute an incentive stock option. Effective December 1, 2010, all stock option grants expire after 7 years. Previously issued grants expired after 10 years.

The exercise prices for options shall not be less than the fair market value of the Common Shares on the date the options are granted, which so long as the Corporation's Common Shares are traded on a stock exchange, is defined to be the closing price for the Common Shares on the day immediately prior to such date on the stock exchange on which the highest aggregate volume of Common Shares have traded on such date. However, it is the Board's policy that if such options are granted in conjunction with the release of interim or fiscal financial results, the exercise price for such options shall not be less than the fair market value of the Common Shares determined at the close of the second (2nd) clear trading day following disclosure of such results.

Upon termination of employment, unless provided by written agreement with the Corporation, any options not vested shall terminate immediately. For vested options, an individual has thirty (30) days to exercise such options unless terminated for cause. Stock options are transferrable only between Eligible Individuals and in accordance with the requirements of the Stock Option Plan.

(c) *Amendments*

The following types of amendments to the Stock Option Plan require shareholder approval:

1. any increase in the maximum number of Common Shares in respect of which may be granted as options under the Stock Option Plan;
2. any amendment that would reduce the exercise price, including a cancellation of an option and re-grant of an option in conjunction therewith, at which options may be granted below the minimum price currently provided for in the Corporation's Stock Option Plan;
3. any amendment that would increase the limits on the total number of Common Shares issuable to any one individual under the Stock Option Plan or to any one insider and the insider's associates;
4. any amendment that would increase the limits on the total number of Common Shares reserved for issuance pursuant to options granted to insiders of the Corporation for issuance to insiders within a one year period;
5. any amendment that would increase the maximum term of an option granted under the Stock Option Plan;
6. any amendment that would extend the expiry date of any outstanding option, except in the case of termination of an employee of the Corporation or any of its affiliates in which case no option shall be extended beyond the exercise date specified at the time of grant;
7. any amendment that would reduce the exercise price of an outstanding option (other than as may result from adjustments contemplated by the Stock Option Plan);
8. any amendment that would permit assignments to persons not currently permitted under the Stock Option Plan;
9. any amendment to the definition of "Participant" or any amendment that would expand the scope of those persons eligible to participate in the Stock Option Plan; and

10. any amendment to the types of amendments requiring shareholder approval, other than as permitted under the rules of the TSX.

Any amendments to the Stock Option Plan, other than those listed above, may be made by the Board of the Corporation without shareholder's approval.

### **Restricted Share Unit Plan**

The Corporation adopted the RSU Plan effective August 11, 2010 in connection with its acquisition of Nimbus Systems S.L. On December 1, 2010, the Corporation extended eligibility to participate in the plan to all full-time employees. Pursuant to the RSU Plan all Redknee employees are eligible to receive RSUs in respect of services rendered in a fiscal year. A participant is entitled to receive a payout in respect of each vested RSU, with each RSU having a value equal to the market price of the Common Shares, which under the RSU Plan is equal to the volume weighted-average closing price of the Common Shares in the period of five trading days preceding the date of the payout. Vesting terms and conditions for the RSUs are set out in a separate grant agreement and may be based on fulfilling a defined period of continuous employment or the attainment of performance vesting conditions, provided that vesting period shall not be later than December 15th of the third calendar year following the end of the calendar year in which services to which the grant of RSUs relates were rendered. Vested RSUs shall be settled by the Corporation upon, or as soon as reasonably practicable following, the vesting of the RSUs. No Common Shares are issuable pursuant to the RSU Plan. The Corporation may amend the RSU Plan as it deems necessary or appropriate, but no such amendment may adversely affect the rights of a participant in RSUs granted prior to the date of amendment without the consent of the participant.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No director, executive officer, employee, former director, former executive officer or former employee of the Corporation or any of its subsidiaries was indebted to the Corporation or any of its subsidiaries as at the date of this Circular.

### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of \$50,000,000 subject to a \$100,000 deductible/retention by the Corporation for securities claims and a \$100,000 deductible/retention for all other claims, such deductibles/retentions payable by the Corporation. In addition to this, an additional excess coverage of \$10,000,000 is purchased exclusively for claims against directors and officers where they are not entitled to or provided with indemnification from the Corporation. The total premium paid by the Corporation for this coverage was CDN\$146,370 for the year ended September 30, 2014.

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

#### **Corporate Governance**

The Board has developed and adopted this Statement of Corporate Governance Practices in accordance with the corporate governance guidelines set forth in National Policy 58-201 – Corporate Governance Guidelines (“NP 58-201”) (the “Corporate Governance Guidelines”), National Instrument 58-101 – Disclosure of Corporate Governance Practices (“NI 58-101”) and TSX requirements. The Corporation's corporate governance practices are comprised of a number of policies and resolutions adopted by the Board from time to time. These policies include the charter for the Board (the “Board Charter”) (see

Schedule “A” attached), the charter for each of the committees of the Board (the “Board Committees”), code of conduct and business ethics (the “Code of Conduct and Business Ethics”), insider trading policy (the “Insider Trading Policy”), policy on disclosure (the “Disclosure Policy”), whistle blower policy & procedures (the “Whistle Blower Policy”), share ownership guidelines (the “Share Ownership Guidelines), and majority voting policy (the “Majority Voting Policy”).

NI 58-101 mandates disclosure of corporate governance practices and this disclosure is set out as follows:

### ***Composition of the Board***

The Board is currently comprised of six directors; five of whom (or 83%) are independent within the meaning of NI 52-110.

The table below sets forth each current Director’s membership on the Board Committees:

	<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nomination and Governance Committee</b>
Mr. Stephen Davies	<b>X</b>	<b>Chair</b>	
Mr. Alan Michels	<b>Chair</b>		<b>X</b>
Mr. Terry Nickerson	<b>X</b>	<b>X</b>	
Mr. Greg Jacobsen			<b>Chair</b>
Mr. Kent Thexton	<b>X</b>	<b>X</b>	<b>X</b>
Mr. Lucas Skoczowski	<b>Not on any committee.</b>		

### ***Chairman of the Board***

Pursuant to the Board Charter and the Corporate Governance Guidelines, the Corporation’s Chairman, Mr. Kent Thexton is independent within the meaning of NI 52-110. The Chairman of the Board is responsible for the effective performance of the Board and shall be responsible for overseeing the following:

- Corporate Governance of the Board;
- Board meeting agendas, logistics and chairing of meetings;
- Board and Committee Composition; and
- Board Committees’ responsibilities.

### ***Independence***

The Corporation believes that in order to be effective the Board must be able to operate independently of management. The Board Charter requires that a majority of the Board, including the Chairman, shall be independent, as defined under Canadian securities laws. In making a determination of independence, the Board considers all relationships of the director, including business, familial and other relationships. On an annual basis as part of the Corporation’s corporate disclosure review, the Board reviews the relationships that each director has with the Corporation in order to satisfy itself that the independence criteria have been met.

In applying the definitions of independence set out in NI 52-110, the following members of the Board have been determined to be independent: Messrs. Kent Thexton, Chairman of the Board; Mr. Stephen Davies, who joined the board on January 9, 2007, Mr. Alan Michels, who joined the Board on December

10, 2008, Mr. Greg Jacobsen, who joined the board on May 4, 2011 and Mr. Terry Nickerson, who joined the Board on October 5, 2010. All of these members have no direct or indirect material relationship with the Corporation which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgement, including any business, familial or other relationship.

Mr. Lucas Skoczowski, as the Corporation's Chief Executive Officer has a material relationship with the Corporation and, therefore, is not independent and not eligible to serve on each of the Audit Committee, the Compensation Committee or the Nomination and Governance Committee.

### ***Meetings of the Board***

During the Corporation's financial year ended September 30, 2014, there were nine (9) meetings of the Board, six (6) meetings of the Audit Committee, four (4) meetings of the Compensation Committee, and one (1) meeting of the Nomination and Governance Committee.

The attendance record of each of the Corporation's directors at these meetings (as applicable) is set out below. Each meeting was attended by all directors, subject to the following qualifications:

<b>Summary of Attendance of Directors</b>				
<b>Name</b>	<b>Board Meetings</b>	<b>Audit Committee Meetings</b>	<b>Compensation Committee Meetings</b>	<b>Nomination Committee Meetings</b>
Stephen Davies	9 of 9	Not a member of this Committee	4 of 4	Not a member of this Committee
Alan Michels	9 of 9	6 of 6	Not a member of this Committee	1 of 1
Greg Jacobsen	9 of 9	Not a member of this Committee	Not a member of this Committee	1 of 1
Terry Nickerson	9 of 9	6 of 6	4 of 4	Not a member of this Committee
Lucas Skoczowski	9 of 9	Not a member of this Committee	Not a member of this Committee	Not a member of this Committee
Kent Thexton	9 of 9	6 of 6	4 of 4	1 of 1

### ***Meetings of Independent Directors***

The Board has taken steps to ensure that adequate structures and processes are in place to allow the Board to function independently of management. The independent directors hold a regularly scheduled *in camera* session at each meeting of the Board in order to facilitate open and candid discussion amongst the Board's independent directors. From October 1, 2013 to and including September 30, 2014, five *in camera* sessions were held. The Board Committees are currently comprised solely of directors considered by the Board to be independent within the meaning of NI 52-110.

### ***Other Directorships***

Currently, the director nominees listed below serve as directors on the boards of other public companies.

<b>Director</b>	<b>Public Company</b>
Kent Thexton	Sierra Wireless

## ***Board Mandate***

The Board is responsible for the overall stewardship of the Corporation and its business, including supervising management of the Corporation's business and affairs. The Board discharges its responsibilities in accordance with the *Canada Business Corporations Act*, securities laws, the Corporation's articles and by-laws, the Board policies and the Charters of the Board and each of its Board Committees.

As set out in the Board Charter which is attached to this Circular as Schedule "A", the Board has established three committees to assist with its responsibilities: the Audit Committee, the Compensation Committee and the Nomination and Governance Committee. Each committee has a charter defining its responsibilities. Copies of the Corporation's Code of Conduct and Business Ethics and Charters of the Board and the Board Committees can be found on the Corporation's website at [www.redknee.com](http://www.redknee.com).

Under the Board Charter, which is reviewed at least annually, the Board is responsible for among other things, the following:

- Developing and approving the approach to and practices regarding corporate governance;
- Developing and approving a strategic plan which takes into account, among other things, the opportunities and risks of the business with frequent input from management on the Corporation's performance against the strategic plan;
- Developing and approving management authority guidelines delineating authority retained by the board and authority delegated to the Chief Executive Officer and other members of management;
- Reviewing and ensuring the integrity of internal controls;
- Updating and ensuring compliance with the following Board policies:
  - Code of Conduct and Business Ethics;
  - Whistle Blower Policy;
  - Insider Trading Policy;
  - Disclosure Policy;
  - Majority Voting Policy; and
  - Share Ownership Guidelines;
- Succession planning.

The Board requires management to obtain the Board's approval for:

- All decisions that are outside the ordinary course of business (including, without limitation, major financings, major acquisitions, major dispositions, significant investments, significant licensing and new commercial relationships and litigation strategies);
- Any expenditure above an amount specified by the Board;
- Significant changes to the Corporation's organizational structure;
- Appointment of officers; and
- Such other matters as the Board may determine from time to time.

## ***Conflict of Interest***

The Board has responsibility with respect to establishing and monitoring procedures for identification of and dealing with conflicts of interest. If such arrangements were to arise, they would be considered as appropriate, by the Board, under the guidance of the Nomination and Governance Committee. To facilitate

the detection of any independence issues or conflicts of interests the Board has adopted a conflict of interest policy. Under the policy directors are required to declare potential conflicts of interest to the Chairman of the Board immediately. Directors and officers complete a Directors and Officers Questionnaire on an annual basis, on which they must identify any material interests they have in transactions of the Corporation or other conflicts of interest. In addition, directors must declare any potential conflicts of interest at the beginning of a board or committee meeting where a proposed contract or transaction is first considered. If the director was not then interested in a proposed contract or transaction, at the first meeting after he or she becomes so interested, the director is required to disclose the potential conflict. If the director becomes interested after a contract is made or a transaction is entered into, the director must disclose the conflict at the first meeting after he or she becomes so interested. Directors are required to recuse themselves from a particular matter where there is or may be a perception of conflict or a perception that they may not bring objective judgment to the consideration of the matter.

### ***Strategic Planning Process***

Pursuant to the Board Charter, the Board is responsible for reviewing and approving at least annually, a strategic planning process. As part of this review, the Board receives presentations from management, which take into account the principal risks and opportunities of the Corporation's business. The Board monitors management's execution of the Corporation's strategic plan through quarterly updates during Audit Committee and Board meetings.

### ***Business and Risk Management***

The Board, through its Audit Committee, is responsible for ensuring that management has identified the principal risks of the business of the Corporation and has implemented appropriate practices to manage these risks. The principal risks of the Corporation can be found in its Annual Information Form on the Corporation's website at [www.redknee.com](http://www.redknee.com) or posted on [www.SEDAR.com](http://www.SEDAR.com). The Audit Committee meets regularly to consider reports from management and to discuss significant risk areas and management's risk mitigation practices.

### ***Position Descriptions***

The Board has developed written position descriptions for the Chairman of the Board, the Chair of each Board Committee, the Chief Executive Officer, the Chief Financial Officer and for individual directors (collectively, the "Position Descriptions"). Each of these Position Descriptions are reviewed and updated annually by each of the Board Committees and subsequent recommendations are made to the Board.

### ***Orientation and Continuing Education***

Pursuant to its mandate, and with the assistance of the Nomination and Governance Committee, the Board is responsible for ensuring that all new members receive a comprehensive orientation to increase their effectiveness as soon as possible after their appointment to the Board. New directors are educated regarding the Board's role and the Board Committees, the expected contributions of individual directors (including the commitment of time and energy) as well as strategic and operational direction of the business. This is accomplished through a series of meetings with the Chairman of the Board, key members of management and others members of the Board. In addition, all new directors receive a comprehensive Director's Handbook, which includes, but not limited to the following:

- Corporation overview;
- Strategic plan;

- Risk management overview;
- Organizational charts;
- Board and executive management contact lists;
- Corporate governance documentation;
- Director remuneration;
- Key legal documents; and
- Significant Corporation policies and procedures.

Under the guidance of the Nomination and Governance Committee, the Board is also responsible for providing continuing education opportunities for all directors, so that individual members maintain or enhance their skills and abilities as directors, as well as remain current in their knowledge and understanding of the Corporation's business. This is achieved through regular presentations and ongoing open discussion with members of senior management.

## **Ethical Business Practices**

### **Code of Conduct and Business Ethics**

The Board has adopted a Code of Conduct and Business Ethics. The purpose of the Code of Conduct and Business Ethics is to ensure that the Corporation maintains a high level of trust and integrity and meets high ethical standards applicable to all directors, officers and employees and to subsidiaries. The Code of Conduct and Business Ethics can be viewed at [www.redknee.com](http://www.redknee.com). Each director, officer and employee is required to review and acknowledge the Code of Conduct and Business Ethics annually. Currently, the Board (through the Audit Committee and the Nomination and Governance Committee), has the responsibility to monitor compliance with the Code of Conduct and Business Ethics and to recommend improvements as deemed necessary or desirable. The Audit Committee and Board receive quarterly reports from the Corporation's Disclosure Committee and annual reports from the Corporation's Ethics Committee. The Code of Conduct and Business and Ethics is reviewed annually by the Ethics Committee and recommendations, if any, are provided to and decided on by the Board.

### ***Whistle Blower Policy***

The Board has adopted a Whistle Blower Policy and has set up a confidential hotline from which summary activity reports are provided and reviewed by selected members of management monthly. The Board monitors compliance with the Whistle Blower Policy through quarterly updates (or more frequently if applicable) from the Audit Committee.

## **Board Committees**

As noted above, the Board has three standing committees: the Audit Committee, the Compensation Committee and the Nomination and Governance Committee. The specific responsibilities of each of the Board Committees are identified in such committee's charter. A copy of each Board Committee Charter is available on the Corporation's website at [www.redknee.com](http://www.redknee.com).

### **Audit Committee**

The Audit Committee, which shall be made up of no less than three members, is currently comprised of the following three (3) directors: Alan Michels (Chairman), Steve Davies, Terry Nickerson and Kent Thexton. Each member is considered "independent" and "financially literate" (as such terms are defined in NI 52-110).

### *Relevant Education and Experience of Members of the Audit Committee*

The education and experience of each Audit Committee member that is relevant to such member's responsibilities as a member of the Audit Committee is set out below.

**Steve Davies** – Mr. Davies has extensive experience and education in the IT industry. He currently holds a Full Technological Certificate and a First Class Degree in Computer Science. He is chair of the board and audit committee for Creativity Software, a global supplier of end-to-end location based services for mobile network operations, government agencies and public sector in the United Kingdom. Prior to this, Mr. Davies held several CEO positions which involved conducting foreign exchange and payments for import and export business across the United Kingdom, as well as processing financial records for over one hundred global service for mobile operators across the world. Mr. Davies has chaired the boards of United Clearing and the Practice plc and was a member of the audit committees for each of these companies.

**Alan Michels** – Mr. Michels has over 30 years of experience in IT and telecommunications, previously serving as President of Kenan Systems Inc. and President and CEO of Telewest Communications, Plc., as well as various CFO positions in these industries. Mr. Michels holds a Master of Business Administration in Finance, and a Bachelor of History degree from Rutgers, the State University of New Jersey-New Brunswick.

**Terry Nickerson** - Mr. Nickerson has served as the Chief Financial Officer of ATI Technologies, Inc. and of Northern Telecom Limited. While with IBM and Northern Telecom, he served on international assignments covering Asia, Europe and Latin America. Mr. Nickerson has been a director of several technology company boards since 2005. Mr. Nickerson has also served as Audit Committee Chairman of Silicon Storage Technology, Tundra Semiconductor and Miranda Technologies Inc. He holds a Bachelors of Science degree in Metallurgical Engineering from Queens University and an M.B.A. from Harvard University.

**Kent Thexton** - Mr. Thexton has over 23 years international wireless experience and executive positions at major wireless carriers. Mr. Thexton is now engaged in building and growing a range of wireless companies. As well as Chairman of the board of Redknee, Mr. Thexton is on the Sierra Wireless board (TSX: SW, Nasdaq: SWIR) and is Chairman of its Human Resources Committee. Mr. Thexton also Chairs Mobidia (a private technology company). Mr. Thexton co-founded i-wireless LLC, a US MVNO. Previously, Mr. Thexton was Chairman and CEO of SEVEN, having joined SEVEN from leading UK operator O2, where he served as chief data and marketing officer, president of O2 Online and a member of the board of directors. Prior to joining O2, Mr. Thexton spent eight years in the Canadian mobile industry, holding the position of Chief Operating Officer and Executive Vice President of Rogers Cantel (now Rogers Wireless). Prior to this he held management positions at Northern Telecom and Bell Canada. Mr. Thexton holds an M.B.A. and B.S. in electrical engineering from University of Western Ontario.

### *Audit Committee Charter*

The Board has adopted a Charter for the Audit Committee which sets out the mandate and responsibilities of the Audit Committee. The Audit Committee is responsible for, among other things, the following:

- ensuring compliance with legal and regulatory requirements, including reviewing and recommending to the Board the annual financial statements, annual MD&A, and Annual Information Form, and reviewing and approving the interim financial statements and interim MD&A;

- reviewing the qualifications, performance and independence of the Corporation's external auditor;
- monitoring the quality and integrity of the Corporation's financial statements;
- overseeing the design, implementation and assessment of disclosure controls and procedures and internal control over financial reporting;
- monitoring the effectiveness of the Corporation's risk management program;
- monitoring and reviewing the effectiveness of the Corporation's internal audit function; and
- monitoring compliance with the Corporation's Whistle Blower Policy and procedures.

As contemplated in its Charter, the Audit Committee meets at least four (4) times annually with the external auditors being present and without management present.

A copy of the Corporation's Audit Committee Charter is set out in the Corporation's Annual Information Form which is available on the Corporation's website at [www.redknee.com](http://www.redknee.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Compensation Committee**

The Compensation Committee is comprised of the following three directors: Stephen Davies (Chairman), Kent Thexton and Terry Nickerson, each of whom are considered "independent" (as such term is defined in NI 52-110). The Board has adopted a charter for the Compensation Committee which sets out its purpose, mandate and its duties and responsibilities. The Compensation Committee is responsible for, among other things, as follows:

- recommending the Corporation's framework or broad policy for the compensation of executives (including pension rights and compensation payments);
- recommending the compensation of the Chief Executive Officer, including salary, bonus, longterm incentives and material benefits;
- recommending the compensation paid to executives based on recommendations made by the Chief Executive Officer;
- determining performance-related formulae and targets relevant to executive compensation, based on recommendations made by the Chief Executive Officer;
- reviewing and approving all compensation-related disclosure;
- reviewing periodically the adequacy and form of compensation paid to non-executive directors; and
- succession planning.

### **Nomination and Governance Committee**

The Nomination and Governance Committee is comprised of the following three directors: Greg Jacobsen (Chairman), Alan Michels and Kent Thexton each of whom are considered "independent" (as such term is defined in NI 52-110).

The Board has adopted a Charter for the Nomination and Governance Committee which sets out its purpose, mandate and its duties and responsibilities. As described in the Nomination and Governance Committee's Charter, the key responsibilities of the Nomination and Governance Committee include, but are not limited to the following:

- reviewing and recommending to the Board the Corporation's approach to corporate governance policies and practices;

- monitoring compliance with the Corporation’s Code of Conduct and Business Ethics;
- providing all new directors with comprehensive orientation on the nature and operation of the Corporation’s business;
- providing continuing education opportunities for all directors;
- overseeing the annual board assessment process, including a review of each individual director’s performance;
- reviewing and identifying directors for election to the Board;
- developing a process for identifying and reviewing potential conflict of interest situations;
- reviewing annually and recommending to the Board changes to the Board and Committee Charters and Position Descriptions; and
- monitoring compliance of each of the Corporation’s Disclosure and Insider Trading policies.

### *Nomination of Directors*

The Nomination and Governance Committee is responsible for making recommendations to the Board regarding the size, composition of the Board and qualification criteria for Board members reflecting an appropriate mix of expertise, skills, attributes and personal and professional backgrounds for service as an independent director of the Corporation. When recruiting new members, the Nomination and Governance Committee considers the skills and competencies of the current directors, the existence of any gaps in Board skills and the attributes and experience new directors should have in order to best address the needs of the Board. The Nomination and Governance Committee also ensures through discussion with potential board candidates that they have the time available to fulfill their obligations on the Board. In consultation with the Chairman of the Board, the Nomination and Governance Committee develops a desirable mix of attributes and experience, including relevant industry experience, and may retain an external consultant to assist in the identification of candidates meeting the requisite criteria.

### *Board Access to Management, Outside Counsel and Advisors*

The Board or each of the Board Committees has exclusive access to all employees of the Corporation (including members of senior management). The Board or any one of the Board Committees is entitled to engage independent counsel and other advisors as considered necessary to carry out its duties and to set and pay the compensation for any such advisors. As discussed above under “*Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Consultant,*” in fiscal 2013 and 2014 the Compensation Committee engaged compensation consultant to help review executive officer and director compensation.

### *Performance Assessment of the Board and its Committees*

The Board annually reviews the effectiveness of the Board and the Board Committees in fulfilling their duties and responsibilities. The Board, the Board Committees and individual directors are assessed annually with respect to their effectiveness and contribution. The Chairman of the Board in consultation with the Chair of the Nomination Committee conducts informal assessments of the Board Committees and each director annually.

### *Majority Voting Policy*

The Board has approved a Majority Voting Policy to which all nominees for election to the Board are asked to agree prior to the Board recommending that they be elected. Pursuant to the Majority Voting Policy, forms of proxy for meetings of the shareholders of the Corporation at which directors are to be elected provide the option of voting in favour of, or withholding from voting for, each individual nominee

to the Board. If, with respect to any particular nominee, the number of Common Shares withheld from voting exceeds the number of Common Shares voted in favour of the nominee, then the nominee will be considered to have not received the support of the Shareholders for the purpose of the Majority Voting Policy and such elected director is expected to immediately submit his or her resignation to the Board. Within 90 days of receiving the final voting results for the applicable shareholders' meeting, the Board of Directors will announce either the resignation of such director or that the Board has decided not to accept the resignation. If the resignation is accepted, subject to any corporate law restrictions, the Board may (i) leave the resultant vacancy in the Board unfilled until the next annual meeting of shareholders of the Corporation, (ii) fill the vacancy through the appointment of a director whom the Board considers to merit the confidence of the Shareholders, or (iii) call a special meeting of the shareholders of the Corporation to consider the election of a nominee recommended by the Board to fill the vacant position. The Majority Voting Policy applies only in the case of an uncontested election of directors at which a majority (50%+1 vote) of the outstanding Common Shares have been voted by holders in person or by proxy.

### **FEEDBACK**

The Board welcomes input and comments from shareholders of the Corporation. Input or comments for the Board or its committees should be directed to the Corporate Secretary at:

Redknee Solutions Inc.  
2560 Matheson Blvd. East  
Suite 500  
Mississauga, Ontario  
L4W 4Y9

### **AUDIT COMMITTEE INFORMATION**

The Audit Committee has a formal charter and is comprised of three directors who are independent and financially literate (for education and experience, please refer to section "Relevant Education and Experience of Members of the Audit Committee" above). The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee. Detailed information with respect to the Corporation's Audit Committee is contained under the heading "*Audit Committee*" in the Corporation's Annual Information Form for the financial year ended September 30, 2014 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### **INTEREST IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed in this Circular, no informed person, proposed nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed nominee has or had a material interest, direct or indirect, in any transaction since the beginning of fiscal 2014 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

### **AVAILABLE INFORMATION**

Financial information is provided in the Corporation's financial statements, Management's Discussion and Analysis (MD&A) for the year ended September 30, 2014 which are posted on the Corporation's website, [www.redknee.com](http://www.redknee.com).

Shareholders of the Corporation may request copies of the Corporation's financial statements including its MD&A and Annual Report by contacting the Corporate Secretary of the Corporation, in person, by mail, telephone, facsimile, or e-mail at: 2560 Matheson Blvd. East, First Floor, Mississauga, ON, Canada, L4W 4Y9, Tel 1-905-625-2622, Fax 1-905-625-2773, Email: [contact@redknee.com](mailto:contact@redknee.com).

Additional information relating to the Corporation is also available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **SHAREHOLDER PROPOSALS**

Persons entitled to vote at the next annual meeting of the Corporation who wish to submit a proposal for consideration at the meeting, must submit their proposal to the Corporation by November 5, 2015.

### **DIRECTORS' APPROVAL**

The Board of the Corporation has approved the contents and the sending of this Circular.

DATED at Toronto, as of the 4th day of February 2015.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Lucas Skoczkowski"*

**Lucas Skoczkowski**  
Chief Executive Officer

**Schedule "A"**  
**REDKNEE SOLUTIONS INC.**  
**(the "Company")**  
**CHARTER FOR THE**  
**BOARD OF DIRECTORS**

**1. Purpose**

- 1.1 The Board of Directors (the "Board") have the duty to supervise management of the business and the affairs of the Company. The Board, directly and through its committees, and the Chair of the Board shall provide direction to senior management, generally through the Chief Executive Officer (the "CEO"), to pursue the interests of the Company.

**2. Independence and Conflict of Interest**

- 2.1 The majority of the Board Members, including the Chairman, shall be independent Directors, as that term is defined under National Instrument 52-110.
- 2.2 The Board shall review the independence of its members as well as review any potential conflict of interest situations at least on an annual basis.

**3. Committees of the Board**

- 3.1 The Board shall establish appropriate Committees to deal with subject matter areas and shall appoint the members of each Committee from amongst the directors of the Company. These Committees shall be comprised entirely of independent Directors and shall set out their roles and responsibilities in formal Charters which shall be approved by the Board and made publicly available. Each Committee Chair shall be appointed by the Board, shall report to the Board after each Committee meeting and shall annually provide the Board with a report on its activities in the previous year.

As a minimum the Committees shall comprise:

- a) Audit Committee
- b) Compensation Committee
- c) Nomination and Governance Committee

**4. Position Descriptions**

- 4.1 The Board shall develop clear position descriptions for the Chair of the Board and the Chair of each Board Committee, and approve any changes as recommended by the Nomination and Governance Committee. In addition, the Board, together with the CEO, shall approve a clear position description for the CEO, which includes delineating management's responsibilities.

On recommendation by the Audit Committee, the Board will approve any changes to the CFO position description.

## 5. **Corporate Governance Statement**

- 5.1 The Board shall develop the Company's approach to corporate governance, including publishing a Corporate Governance Statement annually that describes how it achieves good governance. The Corporate Governance Statement shall, at a minimum, describe how each of the principles of good governance and best practices contained in the Corporate Governance Guidelines set out under National Policy 58-201 (the "Corporate Governance Guidelines") issued by the Canadian Securities Administrators, is put into practice by the Company and also describe any additional corporate governance standards and procedures that the Company applies beyond these basic levels. Where the Company is unable to comply with these guidelines, the Corporate Governance Statement shall describe how the features of good governance are being achieved.

## 6. **Management Authority Guidelines**

- 6.1 The Board should develop formal Management Authority Guidelines delineating authority retained by the Board and authority delegated to the CEO and the other members of the Executive Team. The Authority Guidelines shall also clearly state matters which should be presented to the Board and its Committees. These matters shall include significant changes to management structure and appointments; strategic and policy considerations; major acquisitions and capital expenditures; major marketing initiatives; significant agreements, contracts and negotiations; significant finance related and other general matters.

## 7. **Strategic Planning**

- 7.1 The Board shall adopt a strategic planning process and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business with frequent input from management on the Company's performance against the strategic plan.

## 8. **Risk Management and Internal Controls**

- 8.1 The Board shall identify the principal risks of the Company's business, shall ensure that appropriate systems are implemented to manage these risks, and shall receive updates on the status of risk management activities and initiatives annually or more frequently as appropriate.
- 8.2 The Board shall, at least annually, provide oversight to a review of the effectiveness of the Company's system of internal controls. The review should cover all material controls, including financial, operational and compliance controls and risk management systems. The Board shall provide adequate oversight to the financial reporting process including the information systems processing. The Board shall verify the internal financial, operational and compliance controls and risk management systems have been established by management.

## 9. **Ethical Standards**

- 9.1 The Board shall adopt a written Code of Ethics and Business Conduct ("the Code") and shall establish the appropriate "tone at the top". To the extent feasible, the Board shall satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive

officers create a culture of integrity throughout the organization. Any waivers from the Code that are granted for the benefit of the Company's directors or executive officers should be granted by the Board only.

9.2 The Board shall establish an Ethics and Compliance Committee and on recommendation from the Nomination and Governance Committee will approve any amendments to the mandate of the Ethics and Compliance Committee as required.

9.3 The Board shall receive the report of the Ethics and Compliance Committee on an annual basis with respect to the Committee's activities during the year.

## 10. **Whistle Blower Policy**

10.1 The Board shall establish a Whistle Blower policy and ensure that there are adequate procedures for it to be apprised on a timely basis and in sufficient detail of all concerns raised by employees, officers and directors of the Company and external parties regarding instances of misconduct including illegal or unethical behaviour, fraudulent activities, and violation of Company policies, particularly with respect to accounting, internal accounting controls or auditing matters and that such concerns are properly received, reviewed, investigated, documented and brought to an appropriate resolution.

## 11. **Oversight of Financial Performance**

11.1 The Board shall approve the annual budget on the recommendation of the Audit Committee and periodically receive an analysis of actual results versus approved budgets. The Board shall approve the annual and interim reports to shareholders, including the financial statements and MD&A.

## 12. **Auditor Matters**

12.1 The Board shall review and approve the recommendation of the Audit Committee to put before the shareholders for approval at the annual general meeting, 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.

## 13. **Board Policies**

13.1 The Board may establish and maintain Board policies that establish the parameters for management of the Company, with consideration of legal and regulatory requirements, risk tolerance and the Company's strategies and objectives. The Board has established the following policies:

- (a) Whistle Blower Policy;
- (b) Code of Conduct and Business Ethics;
- (c) Insider Trading Policy;
- (d) Policy on Disclosure;
- (e) Majority Voting Policy; and
- (f) Share Ownership Guidelines.

#### 14. **Management Oversight**

- 14.1 The Board shall approve the corporate goals and objectives relevant to CEO compensation and evaluate the CEO's performance in light of those corporate goals and objectives.
- 14.2 The Board shall approve the compensation of the CEO, including salary, bonus, long term incentives and material benefits.
- 14.3 The Board shall provide oversight on the recommendation of the Nomination and Governance Committee regarding the appointment and succession plans for the Board and Executive Officers (including appointing, training and monitoring the CEO and other members of the Executive Teams).
- 14.4 The Board shall approve the compensation of executive officers and the appointment and termination of those individuals. All management incentive plans tied to performance shall be approved by the Board. The Board shall provide oversight to the determination of Senior Management responsibilities.

#### 15. **Dialogue with Shareholders and Disclosure**

- 15.1 The Board shall establish a Disclosure and Compliance Committee responsible for overseeing the Company's Disclosure Policy and Insider Trading Policy.
- 15.2 The Nomination and Governance Committee and Audit Committee will recommend any changes to the Disclosure and Compliance Committee Mandate to the Board for approval.
- 15.3 The Board shall adopt a Disclosure Policy for the Company and there shall be a dialogue with shareholders based on the mutual understanding of objectives. The Board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place. The Board shall appoint one of the independent non-executive Directors to be the senior independent Director who shall be available to shareholders if they have concerns which contact through the normal channels of Chairman, CEO or the Chief Financial Officer has failed to resolve or for which such contact is inappropriate.
- 15.4 The Chairman of the Board shall be available at the Annual General Meeting of the Company to respond to any shareholder questions on the activities and responsibilities of the Board.

#### 16. **Meeting Procedures**

- 16.1 The Board shall meet at least quarterly and at such times and with such frequency as the Board shall determine is appropriate to meet its responsibilities. A quorum of the Board shall consist of a majority of the Directors. At least seven days' notice of any meeting of the Board shall be given, although such notice may be waived or shortened with the consent of all the members of the Board.
- 16.2 The independent directors shall hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.
- 16.3 In setting the meeting agendas, the Chairman of the Board shall encourage members of the Board to provide input in order to address emerging issues.

- 16.4 The Board shall set its annual agenda to ensure compliance with the requirements of the Corporate Governance Guidelines and shall cause the same to be done by its Committees with respect to their Charters. The Board shall review and approve the annual agendas of its Committees.
- 16.5 The Board shall be supplied in a timely manner with information (including regular management financial information) and resources in a form and of a quality appropriate to enable it to discharge its duties and to allow monitoring of management's objectives and strategies.
- 16.6 The Secretary of the Board shall circulate the minutes of meetings of the Board to all members of the Board for review and comments.
- 16.7 Directors are expected to attend every Board meeting and review all meeting materials in advance of the meetings.

## 17. **Board Effectiveness**

- 17.1 The Board shall review the Corporate Governance Guidelines on an annual basis to ensure that they remain relevant and cause the same to be done by each of its Committees of their Charter.
- 17.2 In conjunction with the Nomination and Governance Committee, the Board shall adopt a process for nominating or appointing individuals as directors, including:
  - (a) Consider what competencies and skills the Board, as a whole, should possess;
  - (b) Assess what competencies and skills each existing director possesses; and
  - (c) Consider the appropriate size of the Board, with a view to facilitating effective decision-making.
- 17.3 The Board, its Committees and each individual Director shall regularly conduct a self-assessment regarding his, her or its effectiveness and contribution. A self-assessment shall consider in the case of the Board or a Board Committee, its Charter and in the case of an individual Director, the applicable position description(s), as well as the competencies and skills each individual Director is expected to bring to the Board.
- 17.4 The Board shall provide continuing education opportunities for all Directors, so that individuals may maintain or enhance their skills and abilities as Directors, as well as to ensure their knowledge and understanding of the Company's business remains current.
- 17.5 The Board shall ensure that all new Directors receive a comprehensive orientation. All new Directors should fully understand the role of the Board and its Committees, as well as the contribution individual Directors are expected to make (including, in particular, the commitment of time and resources that the Company expects from its Directors). All new directors should also understand the nature and operation of the Company's business.

## 18. **Board Administration**

- 18.1 The Board shall establish and monitor procedures for identification of and dealing with conflicts of interest. Directors shall recuse themselves from a particular matter where there may be a

perception of conflict or a perception that they may not bring objective judgment to the consideration of the matter.

- 18.2 The Board shall not take any action which may confer on certain shareholders or other parties an unfair advantage at the expense of other shareholders or the Company.
- 18.3 Directors shall annually complete a Directors and Officers Questionnaire to facilitate the detection of any independence issues or conflicts of interest at the Board level.
- 18.4 The Board shall oversee an annual review of director compensation to ensure development of a compensation strategy that properly aligns the interests of Directors with the long-term interests of the Company and shareholders.
- 18.5 The Company shall indemnify Directors against losses that may arise from the appropriate exercise of their authority as Directors, and shall arrange for an adequate level of Directors and Officers Liability Insurance to supplement this indemnification.
- 18.6 The Board shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers being necessary or advisable in order to perform its duties and responsibilities.
- 18.7 The Board shall be entitled to engage independent counsel and other advisors as it considers necessary to carry out its duties and to set and pay the compensation for any such advisors.

19. **No Rights Created**

- 19.1 This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board 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.