



# Redline Communications Group Inc.

## Notice of Annual Meeting of Shareholders July 19, 2017

NOTICE IS HEREBY GIVEN THAT the Annual Meeting (the "Meeting") of holders of common shares of Redline Communications Group Inc. (the "Corporation") will be held on July 19, 2017, at the offices of Stikeman Elliott LLP, 53<sup>rd</sup> Floor, 5300 Commerce Court West, 199 Bay St., Toronto, Ontario at 10:00 am, Eastern Time, for the following purposes:

1. **to receive the consolidated financial statements of the Corporation for the year ended December 31, 2016, together with the auditors' report thereon;**
2. **to elect directors of the Corporation;**
3. **to appoint auditors and to authorize the directors to fix the remuneration of the auditors.**

This Notice is accompanied by a Form of Proxy and the Management Information 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 of the Corporation have fixed the close of business on June 14, 2017 as the record date for the determination of the shareholders entitled to notice of the Meeting, and any adjournment or postponement thereof.

*Registered shareholders* who are unable to attend the meeting in person are requested to 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, 8<sup>th</sup> Floor, Toronto, Ontario, Canada, M5J 2Y1. Alternatively, Shareholders may vote by telephone by dialing toll free 1-866-732-VOTE (or 8683). Registered Shareholders may vote online at [www.investorvote.com](http://www.investorvote.com) with a 15 digit control code they receive by mail from Computershare. To be effective, a proxy must be received not later than 5:00 pm, Eastern Time, on July 17, 2017.

*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 Markham, Ontario this 21<sup>st</sup> day of June, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS**

(Signed) "Robert Williams"  
Robert Williams, Chief Executive Officer

**REDLINE COMMUNICATIONS GROUP INC.  
MANAGEMENT INFORMATION CIRCULAR  
FOR THE ANNUAL MEETING  
TO BE HELD ON JULY 19, 2017**

**SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR (THE “INFORMATION CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY AND ON BEHALF OF MANAGEMENT OF REDLINE COMMUNICATIONS GROUP INC. (THE “CORPORATION”) FOR USE AT THE ANNUAL MEETING OF THE SHAREHOLDERS OF THE CORPORATION (THE “MEETING”) 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 ANY ADJOURNMENT THEREOF.** It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by regular employees of the Corporation at nominal cost. The cost of solicitation by or on behalf of Management will be borne by the Corporation.

Unless otherwise indicated, the information contained in this Information Circular is given as at June 21, 2017 and all dollar amounts are expressed in Canadian dollars.

**APPOINTMENT AND REVOCATION OF PROXIES**

**THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE DIRECTORS OR OFFICERS OF THE CORPORATION. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND, ACT AND VOTE FOR SUCH SHAREHOLDER AT THE MEETING OTHER THAN THOSE NAMED IN THE ENCLOSED FORM OF PROXY. A SHAREHOLDER DESIRING TO APPOINT SOME PERSON OTHER THAN THOSE NAMED IN THE ENCLOSED FORM OF PROXY TO REPRESENT SUCH 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, 8<sup>TH</sup> FLOOR, TORONTO, ONTARIO M5J 2Y1, BY NO LATER THAN 5:00 PM (TORONTO TIME) ON JULY 17, 2017, OR, IN THE CASE OF ANY ADJOURNMENT OF THE MEETING, BY NO LATER THAN 5:00 PM (TORONTO TIME) ON THE SECOND BUSINESS DAY IMMEDIATELY PRECEDING THE DATE OF SUCH ADJOURNED MEETING.**

In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the offices of Computershare Investor Services Inc. as shown above at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the Chairman of such Meeting on the day of the Meeting, or adjournment thereof, and upon either of such deposits the proxy is revoked.

## EXERCISE OF DISCRETION BY PROXIES

**THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY WILL VOTE THE SHARES IN RESPECT OF WHICH THEY ARE APPOINTED OR WITHHOLD FROM VOTING, AS THE CASE MAY BE, IN ACCORDANCE WITH THE DIRECTIONS OF THE SHAREHOLDERS APPOINTING THEM. IF NO DIRECTION IS MADE IN A PROXY WITH RESPECT TO ANY MATTER SET OUT THEREIN, THE PROXY WILL BE VOTED FOR EACH SUCH MATTER.**

**THE ENCLOSED FORM OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE PERSON OR PERSONS NAMED THEREIN WITH RESPECT TO AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING TO WHICH THE PROXY RELATES AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING.** As at the date of this Information Circular, management of the Corporation knows of no such amendment, variation or other matters to come before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly come before the Meeting, the shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the shares represented by such proxy.

## NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Corporation or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the shares of the Corporation (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Information Circular and the form of proxy (collectively, the “**meeting materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders unless non-registered holders have waived the right to receive them.

Intermediaries are required to forward the meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive meeting materials will either:

- (i) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. In this case, the Non-Registered Holder who wishes to submit a proxy should properly complete the form of proxy and submit it to the Corporation, c/o the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., at the address set forth in the Notice of Meeting; or
- (ii) more typically, be given a voting instruction form that must be completed and signed by the Non-Registered Holder in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting instruction form by telephone and internet with the use of a control number provided on the voting instruction form).

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares of the Corporation they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the persons named in the proxy and insert the name of the Non-Registered Holder or such other person’s name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Holder may revoke an executed proxy or voting instruction form or a waiver of the right to receive meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a proxy or voting instruction form or of a waiver of the right to receive meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

## VOTING SHARES

As at the date of this Information Circular, the issued and outstanding capital of the Corporation consists of 17,215,469 common shares (the “**Common Shares**”), each carrying the right to one vote per share at all Meetings of shareholders.

The Record Date for the purpose of determining the shareholders entitled to receive notice of the Meeting (the “**Record Date**”) has been fixed as June 14, 2017. In accordance with the provisions of the *Canada Business Corporations Act*, the Corporation will prepare a list of shareholders as at the close of business on the Record Date. Each holder of Common Shares named in the list will be entitled to vote, on all resolutions put forth at the Meeting for which such shareholder is entitled to vote, the shares shown opposite his or her name on the said list. The failure of a shareholder to receive the Notice of Meeting does not deprive him or her of the right to vote at the Meeting.

## PRINCIPAL HOLDERS OF COMMON SHARES

As of the date of this Information Circular, the only persons to the knowledge of the Corporation who beneficially own, or control or direct, directly or indirectly, Common Shares of the Corporation carrying more than ten percent (10%) of the voting rights attached to all outstanding Common Shares of the Corporation and the number and percentage of outstanding Common Shares so owned, controlled or directed, directly or indirectly, were as follows:

<b>Name of Shareholder</b>	<b>Number of Common Shares</b>	<b>Percentage of Outstanding Common Shares</b>
PHILIPPE DE GASPÉ BEAUBIEN III .....	3,075,767 <sup>(1)</sup>	17.9%
PENDERFUND CAPITAL MANAGEMENT LTD .....	3,144,149 <sup>(2)</sup>	18.3%
PACIFIC VIEW ASSET MANAGEMENT (UK) LLP AND RELATED COMPANIES .....	2,017,150 <sup>(3)</sup>	11.7%

(1) Consists of (i) 369,332 Common Shares held beneficially and of record and (ii) 2,706,435 Common Shares held beneficially through T Investment Corp., the holder of record.

(2) Shares held as of March 31, 2017 and as disclosed in an Early Warning report dated December 7, 2016

(3) Shares held as of March 31, 2017 and as disclosed in an Early Warning report dated November 25, 2016

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than participation in the 2007 Stock Option Plan, the Corporation is not aware of any material interest of any Director or nominee for 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.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Presentation of Financial Statements for 2016

A copy of the Corporation's Annual Financial Statements, the Report of the Auditors thereon and Management's Discussion and Analysis are available on the Corporation's website at [www.rdlcom.com](http://www.rdlcom.com) and on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

### 2. Election of Directors of the Corporation

The number of Directors to be elected at the Meeting is five (5). Each Director elected will hold office until the next Annual Meeting of Shareholders or until his or her successor is duly elected or appointed.

The table below under the heading "Nominees for Election to Board of Directors" sets forth information regarding each person proposed to be nominated for election as a Director, including the number of Common Shares owned beneficially, directly or indirectly, or over which control is exercised, by such person or the person's associates as of the date of this Information Circular. Information as to the number of Common Shares owned beneficially, 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.

All of the proposed nominees presently serve as Directors of the Corporation and having so served since the dates indicated. There are no contracts, arrangements or understandings between any Director or Executive Officer or any other person pursuant to which any of the nominees have been nominated except for the Governance Agreement (as defined below) or as otherwise disclosed in this Information Circular.

It is not anticipated that any of the nominees will be unable to serve as a Director but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy shall be entitled to vote for any other nominee in their discretion.

The Board has adopted a majority voting policy which requires that any nominee who receives a greater number of votes "withheld" from his or her election than votes "for" such election, promptly tender his or her resignation to the Board, to be effective upon acceptance by the Board. The Governance and Nominating Committee will review the circumstances of the election and make a recommendation to the Board as to whether or not to accept the tendered resignation. The Board must determine whether or not to accept the tendered resignation as soon as reasonably possible and in any event within 90 days of the election. Subject to any corporate law restrictions, the Board may fill any resulting vacancy through the appointment of a new director. The nominee in question may not participate in any committee or Board votes concerning his or her resignation. This policy does not apply in circumstances involving contested director elections. See also under the heading "Policy on Individual Election of Directors".

**If you complete and return the enclosed form of proxy, the persons designated in the enclosed form of proxy intend to vote FOR the proposed nominees set out herein at the Meeting, or any postponement or adjournment thereof, unless you specifically direct that your vote be withheld.**

### NOMINEES FOR ELECTION TO BOARD OF DIRECTORS

<b>Nizar J. Somji</b>	President and CEO of Jaffer Inc.	Director Since: December 2013	Common Shares:	30,000
Alberta, Canada			Stock Options:	43,750
			Restricted Share Units:	6,250

Mr. Somji is a serial entrepreneur, corporate executive and board director with a proven track record of growing businesses. Mr. Somji is the founder and currently serves as the President and CEO of Jaffer Inc., a real estate investment, hospitality and technology company with assets in Canada and the USA. He is the former founder, President and CEO of Matrikon Inc., a publicly traded company (TSX:MTK) and a recognized leader in intelligence and technology solutions for the industrial market place, including oil and gas. Matrikon Inc. was acquired by Honeywell in June, 2010. He is also Chairman of Zafin Inc., supplier of relationship banking software to the financial service industry, on the board of EPCOR Utilities Inc., on the Board of Critical Control Energy Services (TSX:CCZ) and a member of the board of Governors, University of Alberta. Mr. Somji holds a Masters in

Chemical Engineering from the University of Alberta, and Bachelor of Science (Engineering) from the University of Birmingham, England. Mr. Somji is a recipient of the Alberta Centennial Medal and the University of Alberta Alumni Honour Award.

- (1) Current chairman of the board, chairman and member of the Compensation Committee and member of the Corporation's Governance Committee and Audit Committee.

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<b>Robert Williams</b>	CEO, Redline Ontario, Canada	Director Since: December 2013	Common Shares: 58,066 Stock Options: 425,000 Restricted Share Units: 123,000
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Mr. Williams has been a Director since December 2013. He became the Company's acting CEO in August 2013 and was appointed full-time CEO in December 2013. Mr. Williams joined Redline in May 2010, and has advanced steadily through its executive ranks from Senior Vice President of Engineering and Operations to Chief Operating Officer (COO) and President Middle East and North Africa. Mr. Williams has more than 20 years of experience in the data communications industry, with a focus on rugged computing, networking and security. Prior to joining Redline, Mr. Williams was Vice President at Bluecat Networks, a leader in enterprise class IP Address Management (IPAM) solutions, where he led product development. Mr. Williams also served as Chief Executive Officer at Bioscrypt. Prior to that, he was Vice President of Engineering for Psion Teklogix Inc., the largest operating division of Psion PLC and a global provider of mobile computing solutions and devices for the enterprise. Throughout his career, Mr. Williams has held several board positions for both public and private companies in Canada. He is a graduate of the University of Waterloo, with a Bachelor of Science in Electrical Engineering.

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<b>Eric Demirian</b>	President, Parklea Capital Inc. Ontario, Canada	Director Since: June 2013	Common Shares: 25,000 Stock Options: 43,750 Restricted Share Units: 6,250
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Mr. Demirian is a Chartered Professional Accountant, Certified General Accountant and a Chartered Accountant. Since 2003, Mr. Demirian has served as President of Parklea Capital Inc., a boutique financial advisory and strategy firm, and President of Demicap Inc., a private investment firm. From 2000 to 2003, he was Executive Vice President of Group Telecom, Inc., and from 1983 to 2000, Mr. Demirian was with PricewaterhouseCoopers LLP where he was a partner and head of the Information and Communication Practice. Mr. Demirian serves on the boards of The Descartes Systems Group Inc. (Nasdaq:DSGX) (TSX:DSG), Enghouse Systems Limited (TSX:ENGH) and of Imax Corporation (NYSE:IMAX). He is a former Director of a number of public companies, including Menu Foods Income Fund (2005-2010) and Keystone North America Inc. (2007-2010). Mr. Demirian is also a member of the Advisory Council for the Ted Rogers School of Management at Ryerson University (Toronto, Canada). In addition to his professional designations, Mr. Demirian received a Bachelor of Business Management from Ryerson University.

- (1) Current chairman and member of the Corporation's Audit Committee and member of the Compensation Committee.

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<b>David J. Roberts</b>	President, Y Tara Capital Ltd British Columbia, Canada	Director Since: March 2016	Common Shares: Nil Stock Options: 31,250
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Mr. Roberts has over 30 years of senior operational and investment experience in the venture capital, information

technology, communications and life sciences sectors. He has held various directorships in public and private companies since 1983. He is currently Chairman of ActiveState Software Inc. Mr. Roberts was Chief Investment Officer of Pender Financial Group Corporation from 2008 to 2016. He also served as a Director of RDM Corporation (TSX:RC), Chairman and President of BasicGov Systems, Inc., President & CEO and director of Santa Rosa Resources Corp., a director of Pender Growth Fund (VCC) Inc., Chairman of Icron Technologies Corporation, and President & CEO of PenderFund Capital Management Ltd. Mr. Roberts is a graduate of University College London (B.Sc.).

- (1) Current member of the Corporation's Audit Committee, Compensation Committee and Governance Committee.

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<b>John Wilson</b>	President and CEO, Scorpio	Director Since: October 2013	Common Shares:	8,300
Texas, U.S.A	Resources		Stock Options:	43,750
			Restricted Share Units:	6,250

Mr. Wilson is a proven business leader who has a broad range of executive management experience in high growth markets at the intersection of technology and oil and gas. He has held executive positions including Executive Vice President of Landmark Graphics, a division of Halliburton; President of the Exploration Services Division within VeritasDGC; President and CEO of Trade Ranger Inc. and CEO and President of Quantapoint Inc. In 2007 Mr. Wilson established Scorpio Resources, a professional services firm that works with companies to develop and implement their growth strategies. He is a founding partner of Seacrest Capital Ltd, a Bermuda based investment fund specializing in oil and gas exploration investments and is also a non-executive director of Azimuth Ltd. a Bermuda based oil and gas Exploration Company. Mr. Wilson holds a Bachelor's degree in electronic engineering and physics from Loughborough University of Technology and an MBA from the Polytechnic of Central London.

- (1) Current chairman and member of the Corporation's Governance Committee and member of the Compensation Committee.

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

None of the directors or executive officers of the Corporation is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, or
- (ii) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be director, chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as director, chief executive officer or chief financial officer.

None of the directors or executive officers of the Corporation, or to the best of the Corporation's knowledge, any shareholder holding sufficient securities of the Corporation to materially affect the control of the Corporation:

- (i) is as of the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or officer of any company (including the Corporation) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings,

arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company; or

(ii) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

None of the directors or executive officers of the Corporation, or to the best of the Corporation’s knowledge, any shareholder holding sufficient securities of the Corporation to materially affect the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

**IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE FOREGOING SLATE OF NOMINEES, THE FORM OF PROXY INCORPORATING THIS INFORMATION CIRCULAR CONFERS THE RIGHT ON THE PERSONS NAMED IN THE PROXY, IN THEIR DISCRETION, TO VOTE FOR ANOTHER PERSON OR PERSONS AS DIRECTORS.**

### 3. Appointment of Auditors

On the recommendation of the Audit Committee of the Board, Management proposes that the Shareholders ratify, confirm and approve the appointment of the current auditors of the Corporation, BDO Canada LLP, as the 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 Corporation first appointed BDO Canada LLP as auditors of the Corporation and Redline Communications Inc. (“**Redline**”), the operating subsidiary of the Corporation, effective January 17, 2011.

The following table is a summary of billings for services provided by the Corporation’s auditors, BDO Canada LLP during the years ended December 31, 2016 and 2015:

	Year Ended December 31, 2016	Year Ended December 31, 2015
Audit Fees <sup>(1)</sup>	CDN\$ 202,306	CDN\$ 220,500
Tax Fees	CDN\$ 99,301	CDN\$ 5,250 <sup>(4)</sup>
Audit Related Fees <sup>(2)</sup>	CDN\$ 55,125	CDN\$ 56,700
All Other Fees <sup>(3)</sup>	CDN\$ -	CDN\$ 5,500

(1) These billings include professional services provided by the external auditor for the statutory audit of the annual financial statements, and the review of financial accounting and reporting matters. The audit fees for these services in both fiscal years, 2016 and 2015, were \$168,000.

(2) These billings include professional services for the review of the interim financial statements, the review of financial accounting and reporting matters, and advice related to the adoption of International Financial Reporting Standards

(3) These billings relate to amounts for services other than the audit fees, audit-related fees and tax fees described above

(4) Tax fees of \$139,230 were also billed by another accounting firm for 2015

**If you complete and return the enclosed form of proxy, the persons designated in the enclosed form of proxy intend to vote FOR the re-appointment of BDO Canada LLP as auditors of the Corporation**



**and to authorize the Board to fix the auditors' remuneration, unless you specifically direct that your vote be withheld.**

#### **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 in accordance with their best judgment.

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **Compensation Discussion and Analysis**

In this Circular, a Named Executive Officer (or “**NEO**”) means each of the following individuals: (i) the Corporation’s Chief Executive Officer (“**CEO**”); (ii) the Corporation’s Chief Financial Officer; (iii) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and Chief Financial Officer, at the end of fiscal 2016 whose total compensation was, individually, more than \$150,000 for fiscal 2016; and (iv) each individual who would be an NEO under (iii) above, but for the fact that he or she was neither an executive officer of the Corporation, nor serving in a similar capacity, at the end of fiscal 2016.

The Compensation Committee is responsible for making recommendations to the Board of Directors with respect to the compensation of executives of the Corporation, including the Chief Executive Officer of the Corporation and those executive officers of the Corporation who report directly to the Chief Executive Officer (the “**Executive Officers**”).

#### **Compensation Philosophy**

The Executive Compensation Program (the “**Program**”) consists of a combination of three components: salary and benefits; short-term incentives and long-term incentives. The objectives of the Program are:

- 1) to attract, retain and motivate quality executives;
- 2) to align the interests of executives with those of the Corporation’s shareholders; and
- 3) to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

#### **Composition of the Compensation Committee**

As of December 31, 2016, the Compensation Committee of the Board consisted of Nizar J. Somji (Chair), Eric Demirian, David Roberts and John Wilson, all of whom were independent and none of whom is presently an employee of the Corporation.

The Compensation Committee considers implications of the risks associated with the Company’s compensation policies and practices as part of its responsibilities to review and recommend the compensation policies and practices of the Company.

All committee members have a thorough understanding of policies, principles, and governance related to human resources and executive compensation, and the necessary financial acumen to apply to the evaluation of executive compensation programs. They have acquired this knowledge through experience in existing and prior roles. This ensures a strong overlap and broader perspective related to the organization’s financial results, risk profile, and compensation outcomes. For more information on the occupations, skills, experience, and independence of each Committee member, please refer to the director profiles contained in this Information Circular.

## **Risk Assessment and Oversight**

The Compensation Committee reviews the Corporation's compensation programs, policies and practices for its executives relative to risk and whether they create a reasonable likelihood of a material adverse effect on the Corporation. Based on this review, which also considered the control environment and approval processes in place, the Committee believes that the Corporation's executive compensation program encourages the taking of risks that are reasonable, appropriate and properly managed, while not encouraging our management to take unreasonable risks relating to the Corporation's business. Executives are not rewarded for taking excessive or inappropriate risks or those which would have a material adverse effect on the Corporation for the following reasons: (i) our total compensation package consists of both base (or fixed) and variable compensation; (ii) the performance metrics for variable compensation include key strategic objectives for the Corporation, including revenue and EBITDA; and (iii) we have strict internal financial controls.

## **Salary and Benefits**

Base salaries and benefit packages are intended to adequately remunerate executives for properly fulfilling the requirements of their position. The base salaries and benefit packages of the Executive Officers of the Corporation are believed to be competitive with similar positions with TSX-listed companies of comparable size in the technology and software industry within the regions the Corporation operates. The Compensation Committee reviews and approves annually the salary and benefits of: (i) the CEO; and (ii) the other NEOs based upon the recommendations of the Chief Executive Officer. The salaries and benefits of other senior management and employees are reviewed annually and determined by the CEO based upon recommendations of executive management. See "Summary Compensation Table — Named Executive Officers".

During 2016, senior management agreed to a reduction in salary as part of a cost reduction initiative from July 1, 2016 to December 31, 2016.

## **Short Term Incentives**

Short-term incentives include either bonus paid in the form of cash bonuses which are expressed as a percentage of the executives' annual salary or, in the case of executives engaged solely in a sales function, commissions calculated based on achievement of sale targets. Bonuses are awarded at the discretion of the Board upon achievement of certain financial targets as well as other personal objectives. For fiscal 2016, no bonuses were awarded to the Chief Executive Officer, and other NEOs as set out in the "Summary Compensation Table" on page 13.

The bonus of the Chief Executive Officer, Robert Williams, is a quantitative bonus based on the overall revenue and adjusted EBITDA of the Corporation. In addition, Mr. Williams' bonus plan provides for a discretionary bonus based on goals specific to his overall contribution to the Corporation and its overall performance. During the year ended December 31, 2016, no bonus was earned. Mr. Williams' bonus plan is based on his employment agreement and the award under the bonus plan for the current year is reviewed and approved by the Compensation Committee.

The bonus plans of each of the other four NEOs are based on the quantitative and qualitative goals as described below. The bonus plans and the awards thereunder are reviewed annually and approved by the Chief Executive Officer and the Compensation Committee.

The bonus plans for Jane Todd, Bojan Subasic and Jeff Gould are the same as the quantitative goals established for the CEOs bonus plan. In addition, their bonus plans provide for a discretionary bonus based on goals specific to their overall contribution to the Corporation and its overall performance. During the year ended December 31, 2016, no bonuses were earned by Ms. Todd, Mr. Subasic or Mr. Gould.

The 2016 bonus plan of Louis Lambert consisted of the same quantitative goals established for the CEO's bonus plan for a portion of the year and a sales commission. For fiscal 2016, \$62,855 was earned in respect of the sales commission and no bonus was earned.

The Corporation believes that the disclosure of the targets referred to above in greater detail would be seriously prejudicial to its interests. The Corporation believes these targets are sufficiently and appropriately difficult to reach,

while still being achievable. The achievement of targeted objectives is established in part in consideration of the Corporation's financial revenue and income projections for the fiscal year. Thus, various economic factors beyond the Corporation's control, including the Corporation's market outlook and the global economic environment, may influence the achievement of the Corporation's results. In addition, the Corporation does not provide guidance to the market and limits all other forward looking information.

### **Long-Term Incentives**

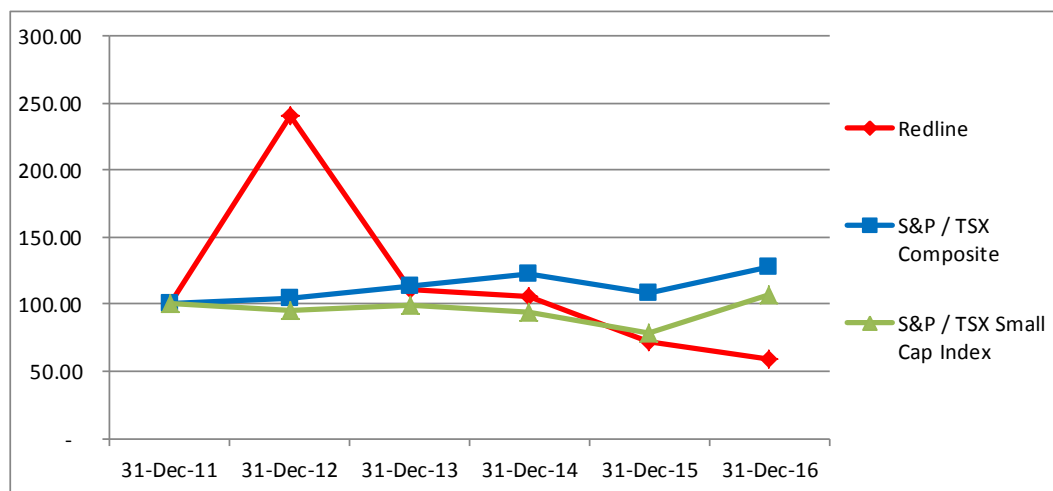
The Corporation's Stock Option Plans and its Restricted Share Unit ("RSU") Plan are intended to serve as a long-term incentive program by rewarding Officers, Directors, Employees and Consultants for their contribution to increasing shareholder value. Stock Option and RSU grants to the Executive Officers are made on the recommendation by the Compensation Committee after consultation with the Chief Executive Officer. Previous grants are taken into account when considering new grants.

### **Benchmarking**

While an independent compensation consultant is not engaged, the Chief Executive Officer and the Compensation Committee periodically benchmark the Corporation's executive compensation with a broad peer group of companies with particular emphasis on the technology sector. This comparison ensures that the Corporation's executive compensation and benefits package is competitive with those found in this internal survey. To ensure that the survey includes the most appropriate companies, the Compensation Committee considers companies of a similar revenue size and market capitalization that have a global focus.

## PERFORMANCE GRAPH

The following graph compares the cumulative shareholder return of the Common Shares of the Corporation with cumulative returns of the S&P/TSX Composite Index for the 5-year period from December 31, 2011 to December 31, 2016. The Graph assumes an investment of \$100 on December 31, 2011 in the Corporation's Common Shares.



	31-Dec-11	31-Dec-12	31-Dec-13	31-Dec-14	31-Dec-15	31-Dec-16
Redline	100.00	240.38	110.38	105.38	72.31	58.85
S&P / TSX Composite	100.00	104.00	113.94	122.40	108.82	127.88
S&P / TSX Small Cap Index	100.00	95.11	99.26	94.11	79.20	107.05

The Corporation's Common Shares have generally underperformed the S&P/TSX Composite Index and S&P/TSX Small Cap Index. In keeping with the Corporation's executive compensation principles, a significant portion of Executive Officers' pay is at risk. A substantial portion of an individual Executive Officer's target compensation is in the form of performance and long-term incentives. The actual value received from long-term incentives by individual Executive Officers is proportional to any increase (or decrease) in the Common Share price.

## Summary Compensation Table — Named Executive Officers

The following table summarizes the compensation paid to the Chief Executive Officer of the Corporation, the Chief Financial Officer of the Corporation and each of the three other officers of the Corporation, including any of its subsidiaries who had the highest aggregate compensation for the year ended December 31, 2016 (each, a “Named Executive Officer”). All figures are in Canadian dollars unless otherwise noted.

Name & Principal Position	Year	Salary (\$) <sup>(1)</sup>	Share-based awards (\$) <sup>(2)</sup>	Option based awards (\$) <sup>(3)</sup>	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Robert L. Williams (4) Chief Executive Officer	2016	346,000	Nil	Nil	Nil	Nil	Nil	81,045	427,045
	2015	370,000	Nil	Nil	Nil	Nil	Nil	80,158	450,158
	2014	370,000	325,950	389,329	129,500	Nil	Nil	74,548	1,289,327
Jane Todd (5) Chief Financial & Operating Officer	2016	163,854	93,300	162,742	Nil	Nil	Nil	Nil	419,896
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
George Kypreos (6) Chief Financial Officer	2016	99,375	Nil	Nil	Nil	Nil	Nil	Nil	99,375
	2015	265,000	Nil	117,432	Nil	Nil	Nil	Nil	382,432
	2014	250,000	Nil	Nil	87,500	Nil	Nil	Nil	337,500
Jeff Gould (7) Senior VP, Global Sales and Marketing	2016	235,417	Nil	Nil	Nil	Nil	Nil	Nil	235,417
	2015	56,250	197,120	Nil	Nil	Nil	Nil	Nil	253,370
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Louis Lambert (8) VP, Business Development	2016	209,800	Nil	Nil	62,855	Nil	Nil	Nil	272,655
	2015	231,000	Nil	Nil	86,585	Nil	Nil	Nil	317,585
	2014	183,000	Nil	135,992	144,582	Nil	Nil	Nil	463,574
Bojan Subasic (9) VP, Development and Production	2016	208,750	111,960	Nil	Nil	Nil	Nil	Nil	320,710
	2015	205,000	Nil	Nil	Nil	Nil	Nil	Nil	205,000
	2014	181,693	Nil	Nil	47,833	Nil	Nil	Nil	229,526

### Notes:

- (1) During 2016, senior management agreed to a reduction in salary as part of a cost reduction initiative effective July 1 – December 31, 2016. This cost reduction initiative was extended into 2017.
- (2) Share based awards consist of RSUs granted during the relevant fiscal year pursuant to the Corporations RSU plan. Amounts presented are equal to the grant date fair value multiplied by the number of units granted. The grant date fair value of the share-based awards was calculated based on the weighted average trading price of the Shares for the five days immediately preceding the date of grant.
- (3) Option based award values are calculated at their fair market values established using Black-Scholes methodology.
- (4) Mr. Williams was appointed interim Chief Executive Officer on August 10, 2013 and assumed the Chief Executive Officer role on December 10, 2013. Mr. Williams joined the Corporation in March 2010 as its Sr. VP of Engineering and Operations. Other compensation includes a housing allowance and medical and other costs related to relocation during Mr. William’s term in the Middle East.
- (5) Ms. Todd joined the Corporation as Chief Financial and Operating Officer on May 9, 2016.
- (6) Mr. Kypreos announced his resignation on April 6, 2016 and left the Corporation on May 6, 2016.
- (7) Mr. Gould commenced as Senior VP, Global Sales and Marketing on October 1, 2015.
- (8) Mr. Lambert commenced as VP Oil and Gas effective June 30, 2014 and assumed the role of VP Strategic Accounts on November 1, 2015 and VP Business Development on January 1, 2017.
- (9) Mr. Subasic joined the Corporation as Director, Hardware Engineering on August 7, 2007 and assumed the role of VP Research and Development on January 1, 2013.

### Outstanding Share-based Awards and Option-Based Awards — Named Executive Officers

Name	Options-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Robert L Williams	50,000 75,000 50,000 250,000	1.76 1.86 3.56 2.69	March 18, 2021 April 28, 2021 June 28, 2022 December 12, 2023	Nil	30,750	47,047	141,143
Jane Todd	125,000	1.92	May 5, 2026	Nil	50,000	76,500	Nil
Jeff Gould	Nil	Nil	Nil	Nil	56,666	86,699	35,701
Louis Lambert	2,500 75,000	USD 1.64 2.94	December 12, 2017 June 25, 2024	Nil	Nil	Nil	Nil
Bojan Subasic	3,750 625 12,500 25,000	USD 1.64 USD 1.64 2.36 3.56	August 7, 2017 December 12, 2017 December 13, 2021 June 28, 2022	Nil	60,000	91,800	Nil

Notes:

(1) Based on a closing price of Cdn. \$1.53 at December 31, 2016.

### Incentive Plan Awards — Named Executive Officers

Name	Option-based awards - Value vested during the year (\$) <sup>(1)</sup>	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - value earned during the year (\$) <sup>(2)</sup>
Rob Williams	Nil	56,133	Nil
Jane Todd	Nil	Nil	Nil
Jeff Gould	Nil	34,118	Nil
Louis Lambert	Nil	Nil	62,855
Bojan Subasic	Nil	Nil	Nil

Notes:

- (1) The value vested during the year of option-based and share-based awards is equal to the dollar value that would have been realized if the Options or Share-based awards had been exercised on the vesting date. This was calculated based on the difference between the market value of the securities underlying the instruments on the vesting date and, in the case of the Option-based awards, the Exercise Price of the Option. Market value is equal to the closing Common Voting Share price on the day immediately prior to the vesting date.
- (2) Included in non-equity incentive plan compensation – value earned during the year are amounts earned by the Executive for the 2016 fiscal year pursuant to the Executive Performance Bonus and Commission Plan. These are the same amounts as reported in the “Summary Compensation Table – Named Executive Officers” on page 13.

## Potential Payments Upon Termination or Change of Control

The Corporation employed Robert L. Williams in various roles over the last few years including its Sr. VP of Engineering and Operations, Chief Operating Officer and President Middle East and North Africa, pursuant to an agreement dated March 18, 2010, and amended June 28, 2012. On December 10, 2013 Mr. Williams was appointed Chief Executive Officer pursuant to an agreement dated December 10, 2013 (the “**Williams Agreement**”). The Williams Agreement provides that in the event of termination without cause, Mr. Williams shall be entitled to receive from the Corporation a severance payment equal to his base salary for a period of twelve (12) months and the immediate vesting of all unvested options. If a bonus is deemed to have been earned in respect of the bonus year in which the date of termination occurs, Mr. Williams will be entitled to the bonus calculated on a pro-rata basis. The Williams Agreement further provides that if there is a change in control of the Corporation, Mr. Williams will earn an additional bonus fee equal to 100% of his base salary and the immediate vesting of his stock options and RSUs.

The Corporation employed Jane Todd as its Chief Financial and Operating Officer pursuant to an agreement dated May 5, 2016 (the “**Todd Agreement**”). The Todd Agreement provides that in the event of termination without cause, Ms. Todd shall be entitled to receive from the Corporation a severance payment equal to her base salary for a period of twelve (12) months. If a bonus is deemed to have been earned in respect of the bonus year in which the date of termination occurs, Ms. Todd will be entitled to the bonus calculated on a pro-rata basis. The Todd Agreement further provides that if there is a change in control of the Corporation, Ms. Todd’s unvested stock options and RSUs will immediately vest.

The Corporation employed Jeff Gould as its Senior Vice President, Global Sales and Marketing pursuant to an agreement dated August 15, 2015 (the “**Gould Agreement**”). The Gould Agreement provides that in the event of termination without cause, Mr. Gould shall be entitled to receive from the Corporation a severance payment equal to his base salary for a period of six (6) months. If a bonus is deemed to have been earned in respect of the bonus year in which the date of termination occurs, Mr. Gould will be entitled to the bonus calculated on a pro-rata basis. In addition, if there is a change of control of the Corporation, Mr. Gould’s unvested RSUs will immediately vest.

The Corporation employed Bojan Subasic as its Vice President, Development and Production pursuant to an agreement dated July 6, 2007 and amended on January 1, 2013 (the “**Subasic Agreement**”). The Subasic Agreement provides that in the event of termination without cause, Mr. Subasic shall be entitled to receive from the Corporation a severance payment equal to his base salary for a period of twelve (12) months. If a bonus is deemed to have been earned in respect of the bonus year in which the date of termination occurs, Mr. Subasic will be entitled to the bonus calculated on a pro-rata basis. The Subasic Agreement further provides that if there is a change in control of the Corporation, Mr. Subasic will earn an additional bonus fee equal to 100% of his base salary. In addition, if there is a change in control of the Corporation, 50% of all unvested stock options will vest and all unvested RSUs.

The Corporation employed Louis Lambert pursuant to an agreement dated March 25, 2002 and amended on June 30, 2014 (the “**Lambert Agreement**”). Mr. Lambert is currently Vice President, Business Development. The Lambert Agreement provides that in the event of termination without cause, Mr. Lambert shall be entitled to receive from the Corporation a severance payment equal to his base salary for a period of twelve (12) months. The Lambert Agreement further provides that if there is a change in control of the Corporation, Mr. Lambert’s unvested stock options will immediately vest.

## Director Compensation

Directors who are not officers of the Corporation receive a retainer of US\$35,000 per year. Effective July 1, 2016 this retainer was reduced to US\$31,500 as part of a cost reduction initiative. In addition, the Non-executive Chairman receives an annual retainer of US\$30,000 (US\$27,000 effective July 1, 2016). Non-executive Directors also receive an annual retainer of US\$5,000 (US\$4,500 effective July 1, 2016) for each subcommittee they are a member of excluding the Audit Committee. The Chairman of the Audit Committee is entitled to an annual payment of US\$25,000 (US\$22,500 effective July 1, 2016). Members of the Audit Committee receive an annual retainer of

US\$15,000 (US\$13,500 effective July 1, 2016). The Chairmen of the Compensation Committee and the Governance Committee are entitled to annual payments of US\$10,000 (US\$9,000 effective July 1, 2016). Directors receive US\$1,500 (US\$1,350 effective July 1, 2016) for attending an out of town Board meeting and are also reimbursed for out-of-pocket expenses for attending Board and Committee meetings or other expenses incurred for Company purposes.

Directors are also entitled to participate in the Corporation's Stock Option Plan and Restricted Stock Option Plan. At the time of joining the Board, outside independent directors are each granted 25,000 Options at an exercise price equal to the closing market price on the day preceding the date the options were granted. The options vest immediately. Existing directors are entitled to receive an annual grant of 6,250 stock options and 6,250 RSUs stock based compensation on the date of their election at the annual general meeting of shareholders. Stock options are at an exercise price equal to the closing market price on the day preceding the date the options are granted and vest immediately. RSUs also vest immediately.

### Summary Compensation Table — Directors

The following table summarizes the compensation paid to the Directors of the Corporation for the year ended December 31, 2016.

Name	Fees earned (\$)	Share-based awards (\$)	Option based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total Compensation (\$)
Phillipe de Gaspé Beaubien III	62,415	Nil	Nil	Nil	Nil	Nil	62,415
Eric Demirian	85,473	Nil	8,334	Nil	Nil	Nil	93,807
David Roberts	51,646	Nil	40,882	Nil	Nil	Nil	92,528
Nizar J. Somji	104,374	Nil	8,334	Nil	Nil	Nil	112,708
John Wilson	87,258	Nil	8,334	Nil	Nil	Nil	95,592

### Outstanding Option-Based Awards of Non-Executive Directors

Name	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Eric Demirian	25,000	6.02	June 26, 2023	Nil
	6,250	2.94	June 25, 2024	
	6,250	3.04	June 24, 2025	
	6,250	2.00	June 28, 2026	
David Roberts	25,000	1.92	May 5, 2026	Nil
	6,250	2.00	June 28, 2026	
Nizar J. Somji	25,000	2.69	March 21, 2024	Nil
	6,250	2.94	June 25, 2024	
	6,250	3.04	June 24, 2025	
	6,250	2.00	June 28, 2026	
John Wilson	25,000	2.98	December 9, 2023	Nil
	6,250	2.94	June 25, 2024	
	6,250	3.04	June 24, 2025	
	6,250	2.00	June 28, 2026	



Name	Option-based awards - Value vested during the year (\$) <sup>(1)</sup>	Non-equity incentive plan compensation - value earned during the year(\$)
Eric Demirian	Nil	Nil
David Roberts	Nil	Nil
Nizar J. Somji	Nil	Nil
John Wilson	Nil	Nil

Notes:

(1) Option-based awards for all Directors vest immediately upon the grant date.

### **Directors and Officers Insurance and Indemnification**

The Corporation has purchased insurance for the benefit of the Corporation's and its subsidiaries' Directors and Officers against any liability incurred by them in their capacity as Directors and Officers, subject to certain limitations contained in the *Canada Business Corporations Act*. In 2016, the Company purchased insurance for current Directors and Officers as of October 31, 2016 in the aggregate amount of \$20,000,000. The deductible under the policy is \$50,000 in respect of any loss by the Corporation, with the exception of securities claims for which the deductible is \$100,000. The policy is effective through October 31, 2017 and the premium under the policy was \$37,585 which was paid by the Corporation.

The by-laws of the Corporation provide for the indemnification of Directors and Officers from and against any liability and costs in connection with any action or suit against them in respect of the execution of their duties of office, subject to the limitations contained in the *Canada Business Corporations Act* and the Corporation. In addition, Directors have indemnification agreements with the Corporation.

### **Policy on Individual Election of Directors**

The Board has adopted a majority voting policy to require a Director's resignation as a Director when the Director receives more "withheld" votes than "for" votes in an uncontested election of Directors at a general meeting of Shareholders such as the Meeting. The Corporate Governance Committee would be expected to recommend that the Board accept the resignation, absent exceptional circumstances. The other Directors would be expected to take into account the decision of the Corporate Governance Committee and accept the resignation, absent exceptional circumstances. The Board is required to make its decision within 90 days after the date of the vote by Shareholders and the Corporation would issue a press release either announcing the resignation or explaining why the Board had not accepted the resignation. The Director who tendered the resignation would not be part of the decision-making process.

If a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual general meeting of Shareholders. Alternatively, it may fill the vacancy through the appointment of a new Director whom the Board considers to merit the confidence of the Shareholders, or it may call a special meeting of Shareholders at which there will be presented a management nominee or nominees to fill the vacant position or positions.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out as of December 31, 2016, a summary of Compensation Plans under which securities of the Corporation are authorized for issuance:

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)) (#)
Equity compensation plans previously approved by security holders	1,593,411 <sup>(1)</sup>	2.49	172,961
Equity compensation plans not previously approved by security holders	Nil	Nil	Nil
Total	1,593,411	2.49	172,961

Notes:

- (1) This number represents the total number of Common Shares to be issued (i) upon exercise of all outstanding options under the 2007 Option Plan; (ii) in connection with the redemption of Class A Common Stock, such Class A Common Stock to be issued upon exercise of stock options under the RCI Option Plans (as defined below); and (iii) 250,000 shares reserved pursuant to the 2008 ESPP (as described below).

### RCI Option Plans

#### 2005 Plan

Redline Communications, Inc. (Delaware) (“RCI”) had a stock option plan: the Second Amended and Restated 2005 Stock Option Plan, for stock option issuances to United States residents other than California residents (the “2005 Plan”). Stock options ceased to be granted under this plan in 2007 and the final options expired or were terminated in February 2017.

#### 2007 Option Plan

The Corporation adopted a stock option plan in October 2007 (the “**2007 Option Plan**”) for executive officers, directors, current employees and consultants engaged by the Corporation and its subsidiaries. This plan was established to provide incentives to attract and retain such executive officers, directors, current employees and consultants.

Under the 2007 Option Plan, options to purchase Common Shares are granted by the Board and have an exercise price of not less than the market price of the Common Shares at the date of the grant determined in accordance with the 2007 Option Plan.

Unless otherwise determined by the Board, new options will expire ten years after the date of grant, and options will vest over a four-year period, with 25% of the shares underlying such options vesting and becoming exercisable on the first anniversary and 1/48<sup>th</sup> of the shares underlying such options vesting and becoming exercisable each month thereafter.

The maximum aggregate number of Common Shares which may be subject to options under the 2007 Option Plan is currently 2,370,018. This represents 13.8% of the Corporation’s outstanding capital at December 31, 2016. As of the date hereof, 1,300,786 stock options are outstanding under the 2007 Option Plan and 192,897 Common Shares are available for further stock option grants. The 2007 Option Plan is administered by the Board.

The Board of Directors may amend, modify and change the provisions of the 2007 Option Plan, provided that any amendment, modification or change to the provisions of the 2007 Option Plan shall: (a) not adversely alter or impair any option previously granted except as specifically permitted under the 2007 Option Plan, (b) be subject to any regulatory approvals, where required, including the approval of the TSX, where required, (c) be subject to shareholder approval in accordance with the rules of the TSX in circumstances where the amendment, modification or change to the 2007 Option Plan or option would (i) reduce the exercise price of an option held by an insider of the Corporation, (ii) extend the term of an option held by an insider beyond the original expiration date (subject to such date being automatically extended as the result of the expiration date falling within a black-out period), (iii) increase the fixed maximum percentage of Common Shares which may be issued pursuant to the 2007 Option Plan, or (iv) amend the amending sections of the 2007 Option Plan or (d) not be subject to shareholder approval in any circumstances (other than those listed in (c) above). Examples of amendments which are permitted under the 2007 Option Plan without shareholder approval include amendments of a “housekeeping” nature, adding a form of financial assistance, or introducing a cashless exercise feature.

Options granted under the 2007 Option Plan are not assignable and terminate within 90 days following an option holder ceasing to be at least one of an employee, director, officer or consultant of the Corporation or any of its designated affiliates for any reason (other than death). In the event of death, the options are exercisable only within one year after such death.

Should the expiration date for an Option fall within a Black Out Period or within nine Business Days following the expiration of a Black Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Option Plan.

### **Restricted Share Unit Plan**

The Corporation adopted a restricted share unit plan (“RSU”) in June 2012. The plan is open to executive officers, directors, current employees and consultants engaged by the Corporation and its subsidiaries, and was established to provide incentives to attract and retain such executive officers, directors, current employees and consultants.

Under the plan, RSUs are granted by the Board. The Board has the authority to determine the terms, including the limitations, restrictions, vesting period and conditions, if any, upon such grants. RSUs entitle the participants to receive cash of an amount equal to the fair market value of a Share on the settlement date, multiplied by the number of vested RSUs to be settled on that settlement date. The RSUs can be settled on the first business day following their vesting, but in no event later than December 31st of the third calendar year following the year in which the services giving rise to the award were rendered.

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

No Director, Executive Officer or employee or former director, executive officer or employee of the Corporation, or any associate of any such person, was indebted to the Corporation or any of its subsidiaries at any time during the year ended December 31, 2016 and/or as at the date of this Information Circular.

### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Since January 1, 2016, the Corporation did not have any transactions, or any proposed transactions, with any “informed person” (as defined in applicable securities law), or any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, who had a material interest, direct or indirect, which has materially affected or would materially affect the Corporation or its Subsidiaries.

### **CORPORATE GOVERNANCE DISCLOSURE**

In accordance with National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, information on the Corporation’s corporate governance practices is set out on Schedule “A” in this Information Circular.

### **AVAILABILITY OF ADDITIONAL INFORMATION**

Additional financial and other information with respect to the Corporation is contained in the Corporation's audited consolidated financial statements for the year ended December 31, 2016, the Corporation's Management's Discussion and Analysis for the year ended December 31, 2016 and the Corporation's Annual Information Form dated March 15, 2017, all of which are available on SEDAR at [www.sedar.com](http://www.sedar.com) and which may be obtained on request from the Corporation's Secretary at 302 Town Centre Blvd., Markham, Ontario, Canada L3R 0E8.

### **GENERAL**

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

DATED at Markham, Ontario this 21st day of June, 2017.

*(Signed)* "Nizar J. Somji"  
Nizar J. Somji, Chairman of the Board

## SCHEDULE “A”

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors and Management consider good corporate governance to be central to the effective and efficient operation of the Corporation. Management and the Board of Directors have taken significant steps with respect to corporate governance over the past year and will continue to focus on improving corporate governance, increasing corporate accountability and maximizing the transparency of public company disclosure.

The following sets out the Corporation’s approach to corporate governance in accordance with the Canadian Securities Administrators National Instrument 58-101— *Disclosure of Corporate Governance Practices* (the “**Corporate Governance National Instrument**”) and National Policy 58-201— *Corporate Governance Guidelines* (the “**National Policy**”).

#### Board of Directors

The National Policy recommends that boards of directors of reporting issuers be composed of a majority of independent directors. All of the directors of the Corporation, with the exception of Robert Williams, who is Chief Executive Officer, are considered independent. With four (4) of the five (5) (five (5) of the six (6) prior to June 22, 2016) directors considered independent by the Board, the Board of Directors is composed of a majority of independent directors.

Nizar J. Somji is the non-executive Chairman of the Board and is considered an independent director. The primary responsibilities of the Chair are to facilitate the operations and deliberations of the Board and the satisfaction of the Board’s responsibilities under its charter. The Chairman’s duties include scheduling and setting the agenda for meetings of the Board and shareholders, chairing meetings of the Board and shareholders, providing input to the various committees of the Board, providing feedback to the Chief Executive Officer of the Corporation and communicating with shareholders and regulators as necessary.

The Board does, from time to time, schedule meetings of only independent directors, including In-Camera sessions at all scheduled meetings, to facilitate open and candid discussion among its independent directors.

For the year ended December 31, 2016, the Board of Directors and its committees held the following number of meetings:

Number of Board Meetings	Number of Audit Committee Meetings
The Corporation had fourteen (14) Board Meetings between January 1, 2016 and December 31, 2016	The Corporation had five (5) Audit Committee Meetings between January 1, 2016 and December 31, 2016

The attendance of the directors at such meetings was as follows:

<b>Director</b>	<b>Board Meetings Attended</b>	<b>Audit Committee Meetings Attended</b>
Nizar J. Somji	14 of 14 Board Meetings	5 of 5 Audit Committee Meetings
Phillipe de Gaspé Beaubien III	4 of 4 Board Meetings	2 of 2 Audit Committee Meetings
Robert Williams	14 of 14 Board Meetings	Not applicable
Eric Demirian	14 of 14 Board Meetings	5 of 5 Audit Committee Meetings
David Roberts	11 of 11 Board Meetings	3 of 3 Audit Committee Meetings
John Wilson	14 of 14 Board Meetings	Not applicable

### **Mandate of the Board of Directors**

The Board of Directors is responsible for supervising the management of the Corporation's business and affairs. The Board discharges this responsibility directly and through delegation of specific responsibilities to committees of the Board, the Chairman of the Board, and the Executive Officers of the Corporation, all as more particularly described in the Board of Directors Charter attached to this Information Circular as Appendix I.

### **Position Descriptions**

The Board has developed written position descriptions for the Chairman of the Board, the chair of each of the committees of the Board and for the President & Chief Executive Officer.

### **Orientation and Continuing Education**

Responsibility for orientation programs for new directors is assigned to the Corporate Governance Committee. In this regard, the Corporate Governance Committee's duties include ensuring the adequacy of the orientation and education program for new members of the Board. The Chairman of the Board, the Chief Executive Officer and/or the Corporate Secretary reviews with each new member: (i) certain information and materials regarding the Corporation and its business and operations; (ii) the role of the Board and its committees; and (iii) the obligations of a director of the Corporation.

The Corporate Governance Committee is also responsible for arranging continuing education for directors in order to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors. Director education sessions, including presentations from members of the Senior Management Team of the Corporation, are scheduled to coincide with the Corporation's regular quarterly Board meetings to help directors increase their knowledge and skills in respect of the Corporation, its governance and its operations.

### **Ethical Business Conduct**

The Board has adopted the Corporation's Code of Business Ethics and Conduct (the "Code") applicable to the Corporation's directors, officers and employees. A copy of the Code is available on SEDAR at [www.sedar.com](http://www.sedar.com). The Code sets out in detail the core values and principles by which the Corporation is governed and addresses topics such as: honest and ethical conduct; conflicts of interest; compliance with applicable laws and the Corporation's policies and procedures; use of corporate assets and opportunities; confidentiality of corporate information; reporting responsibilities and procedures; and reporting of violations relating to the Code.

The Chair of the Corporate Governance Committee is responsible for communicating the Code to directors, officers, and employees and assisting the Corporate Governance Committee in administering the Code. The Corporate Governance Committee monitors overall compliance with the Code. The Corporate Governance Committee is required to report to the Board on any issues or concerns that have been raised in respect of the Code, provided that any issues or concerns specifically related to accounting, internal financial controls and/or auditing will be reviewed and forwarded to the Audit Committee.

In addition, as part of its internal controls procedures, the Corporation has established an anonymous reporting

procedure to encourage employees, officers and directors to raise concerns regarding matters covered by the Code (including accounting, internal controls or auditing matters) on a confidential basis free from discrimination, retaliation or harassment.

To ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest, Directors with a material interest would identify their conflict and excuse themselves from the discussion.

### **Board Committees**

The Board has three committees: an Audit Committee, a Compensation Committee, and a Corporate Governance and Nominating Committee, each of which has duties and responsibilities delegated by the Board.

Each committee is comprised entirely of independent directors within the meaning of Multilateral Instrument 52-110.

#### ***Audit Committee***

The Audit Committee considers the terms of the engagement and appointments of the Corporation's external auditors, including amongst other duties, their remuneration, the scope of their engagement and any recommendations to the Board. The Audit Committee has access to the Corporation's auditors and is responsible for ensuring that the financial performance of the Corporation is properly reported and monitored. All members of the Audit Committee have accounting or related financial expertise.

As of the date of this Information Circular, the Audit Committee consists of Eric Demirian (Chair), David Roberts and Nizar J. Somji.

Additional information relating to the Audit Committee, as required pursuant to Multilateral Instrument 52-110, may be found in the Corporation's Annual Information Form for the year ended December 31, 2016 (see "Corporate Governance — Audit Committee" and Appendix "A" of the Annual Information Form which sets forth a copy of the Audit Committee Charter).

#### ***Compensation Committee***

The Compensation Committee makes recommendations to the Board to ensure that the Executive Officers and other key employees are fairly rewarded for their overall contribution and performance, and demonstrate to the shareholders of the Corporation that such remuneration is set by a Committee whose members have no personal interest in the outcome of the decisions of the Committee and who have regard to the interests of the Corporation, articulate the legal obligations, and those of our affiliates and their respective Directors, Officers and employees with respect to confidential information.

As of the date of this Information Circular, the Compensation Committee consists of Nizar J. Somji (Chair), Eric Demirian, David Roberts and John Wilson.

#### ***Corporate Governance and Nominating Committee***

The Corporate Governance Committee develops the approach to corporate governance issues, advises the Board in filling vacancies on the Board and periodically reviews the composition and effectiveness of the Board and the contribution of individual directors. The Corporate Governance Committee also supervises written corporate disclosure and insider trading policies. Among other things, these policies:

- articulate legal obligations, and those of the Corporations affiliates and their respective directors, officers and employees with respect to confidential information; identify spokespersons who are authorized to communicate with third parties such as analysts, the media and investors on the Corporations behalf;
- provide guidelines on the disclosure of forward looking information;
- require advance review by senior representatives of any disclosure of financial information to seek to ensure that the information is not material, and to seek to ensure that selective disclosure of material information does not occur, and that if it does occur, a news release is issued promptly; and

- establish “black-out” periods immediately prior to and following the disclosure of quarterly and annual financial results during which the Directors, Officers and certain other persons may not purchase or sell Common Shares in the market.

As of the date of this Information Circular, the Corporate Governance Committee consists of John Wilson (Chair), David Roberts and Nizar J. Somji.

### *Strategic Committee*

The Strategic Committee’s mandate was to consider and advise the Board on matters of strategic importance to the Corporation, including potential M&A transactions. This committee was disbanded in June 2016 and its duties absorbed by the Board.

### **Compensation for Directors and Officers**

The Compensation Committee is responsible for recommending to the Board the compensation for Directors, the Chief Executive Officer and the Executive Officers of the Corporation who report directly to the Chief Executive Officer. The objective of the Remuneration Committee is to set compensation which is competitive for the markets in which the Corporation operates and which reinforces the creation of long-term shareholder value. The Compensation Committee seeks to ensure that Directors fees, base salaries, short-term incentives and long-term incentives reflect individual performance in the context of the overall performance of the Corporation, as measured by achievement of the Corporation’s goals for revenue growth, profitability, share price appreciation and corporate initiatives undertaken during the year.

### **Assessments**

As required by the Corporate Governance Committee Charter, the Corporate Governance Committee is responsible for assessing the effectiveness of the Board and each Board Committee, as well as discussing the contribution of individual Board members. Such assessments are made on an annual basis.

### **Term Limits**

The Corporation does not currently have any written policy with respect to term limits for Directors. The Board and the Corporate Governance Committee both recognize the importance of ensuring that the Board is comprised of highly talented and experienced individuals who reflect the diversity of the Corporation’s various stakeholders, having regard for the need to foster and promote diversity among Directors, and may consider length of service on the Board as one of several factors as part of the assessment and nomination of Directors from time to time.

At this time, the Board does not believe that arbitrary term limits are appropriate, nor does it believe that directors should expect to be re-nominated annually until they reach a retirement age as established by the Board. On an ongoing basis a balance must be struck between ensuring that there are fresh ideas and viewpoints while not losing the insight, experience and other benefits of continuity contributed by longer serving directors.

### **Diversity Policy**

The Corporation and the Corporate Governance Committee recognize and expressly encourage diversity in the composition of the Board. As a result, while neither a written policy nor targets relating to the identification and nomination of women directors have been adopted to date and the emphasis in filling Board vacancies has been finding the best qualified candidates given the needs and circumstances of the Board, a nominee’s diversity of gender, race, nationality, age, experience and other attributes will be considered favorably in the assessment of director nominees.

The Corporate Governance Committee recognizes the benefits that diversity brings to the Corporation. A key objective in this regard is to bring that diversity of thought which the Board believes is fundamental to successful decision-making and stewardship. Currently, as to gender, the Board does not have any female directors. As to gender, the Board and the Corporate Governance Committee are receptive to increasing the representation of women



on the Board as turnover occurs, taking into account the skills, background, experience and knowledge desired at that particular time by the Board and its committees. With respect to executive officer positions, currently there is one female member of the four (4) person executive team. The Corporation prides itself on developing its employees internally and providing them with opportunities to advance their careers. While there are currently no specific targets with respect to women in executive officer positions, the Corporation recognizes that in order to achieve a more representative balance of women in executive officer positions, it must ensure that its talent pipeline is properly developed.

**APPENDIX I**  
**REDLINE COMMUNICATIONS GROUP INC.**  
**BOARD OF DIRECTORS CHARTER**

**Section 1. PURPOSE**

- 1.1 The purpose of this Board of Directors Charter (the “**Charter**”) is to provide guidance to the members of the Board of Directors (the “**Board**”) of Redline Communications Group Inc. (the “**Company**”) as to their duties and responsibilities. The Charter is subject to the provisions of the Company’s articles of incorporation and by-laws and to applicable laws. The Charter is not intended to limit, enlarge or change in any way the responsibilities of the Board as determined by such articles, by-laws and applicable laws.

**Section 2. ROLE**

- 2.1 The Board is responsible for the stewardship and oversight of the Management of the Company and its global business. It has the statutory authority and obligation to protect and enhance the assets of the Company in the interest of all shareholders.
- 2.2 Although Directors may be elected by the shareholders to bring special expertise or a point of view to Board deliberations, they are not chosen to represent a particular constituency. The best interests of the Company and its shareholders must be paramount at all times.
- 2.3 The involvement and commitment of directors is evidenced by regular Board and committee meeting attendance, preparation, and active participation in setting goals and requiring performance in the interest of shareholders.

**Section 3. COMPOSITION**

- 3.1 The Board shall be comprised of that number of directors as shall be determined from time to time by the Board, in accordance with the Company’s articles, by-laws and applicable laws.

**Section 4. MEETINGS**

- 4.1 The time at which and place where the meetings of the Board shall be held and the calling of the meetings and procedure in all things at such meetings shall be determined by the Board in accordance with the Company’s articles, by-laws and applicable laws.

**Section 5. CHAIR**

- 5.1 The Chair of the Board shall have the duties and responsibilities set forth in the “Chair of the Board of Directors, Executive Committee and Chief Executive Officer Position Descriptions”.

**Section 6. RESPONSIBILITIES**

- 6.1 The Board operates by delegating certain of its responsibilities to management and reserving certain powers to itself. Its principal duties fall into the six categories set forth and further enumerated below in this Section:
- (a) Overseeing and approving on an ongoing basis the Company’s business strategy and strategic planning process.
  - (b) Selection of the management.
  - (c) Setting goals and standards for management, monitoring their performance, and taking corrective action where necessary.
  - (d) Approving policies, procedures and systems for implementing strategy, for managing risk and for ensuring the integrity of the Company’s internal control and management information systems.
  - (e) Adopting a communications policy and reporting to shareholders on the performance of the business.
  - (f) Approval and completion of routine legal requirements.

### *Strategy Determination*

- 6.2 The Board has the responsibility to participate, as a whole and through its committees, in identifying the objectives and goals of the business as well as the associated risks, and the strategy by which it proposes to reach those goals and mitigate such risks. The Board shall adopt a strategic planning process and shall approve, on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the business.
- 6.3 The Board has the responsibility to ensure congruence between shareholder expectations, company plans, and management performance.

### *Selection of the Management*

- 6.4 The Board retains the responsibility for managing its own affairs, including planning its composition, selecting its chairman, nominating candidates for election to the Board, appointing committees, and determining director compensation.
- 6.5 The Board has the responsibility for the appointment and replacement of a President & Chief Executive Officer (“CEO”) of the Company, for monitoring CEO performance, determining CEO compensation, and providing advice and counsel in the execution of the CEO’s duties.
- 6.6 The Board has the responsibility for, to the extent feasible, satisfying itself as to the integrity of the CEO and the other executive officers and that the CEO and other Executive Officers create a culture of integrity throughout the Company.
- 6.7 The Board has the responsibility for ensuring that adequate provision has been made for management succession (including appointing, training and monitoring senior management).

### *Monitoring and Acting*

- 6.8 The Board has the responsibility for monitoring the Company’s progress towards its goals, and revising and altering its direction in light of changing circumstances.
- 6.9 The Board has the responsibility for taking action when performance falls short of its goals or when other special circumstances (for example mergers and acquisitions or changes in control) warrant it.

### *Policies and Procedures*

- 6.10 The Board has the responsibility for developing the Company’s approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company.
- 6.11 The Board has the responsibility for approving and monitoring compliance with all significant policies, procedures and internal control and management systems by which the Company is operated.
- 6.12 The Board has responsibility for ensuring that the Company operates at all times within applicable laws and regulations, and to high ethical and moral standards.

### *Reporting to Shareholders*

- 6.13 The Board has the responsibility for adopting a communications policy for the Company, including adopting measures for receiving feedback from stakeholders.
- 6.14 The Board has the responsibility for ensuring that the financial performance of the Company is reported to shareholders on a timely, regular and non-selective basis.
- 6.15 The Board has the responsibility for ensuring that the financial results are reported fairly, and in accordance with International Financial Reporting Standards.
- 6.16 The Board has the responsibility for timely and non-selective reporting of any other developments that have a significant and material impact on the value of the shareholders’ assets.
- 6.17 The Board has the responsibility for reporting annually to shareholders on its stewardship for the preceding year.

*Legal Requirements*

- 6.18 The Board has the responsibility for approving any payment of dividends to shareholders.
- 6.19 The Board is responsible for ensuring that legal requirements, documents, and records have been properly prepared, approved and maintained.

*Other*

- 6.20 On an annual basis, the Charter shall be reviewed and assessed, and any proposed changes shall be submitted to the Board for consideration.



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