

ACKROO INC.

62 Steacie Drive, Suite 201
Ottawa, Ontario K2K 2A9

MANAGEMENT INFORMATION CIRCULAR

(containing information as at May 24, 2016, unless otherwise stated)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management (the "Management") of ACKROO INC. (the "Company"), for use at the Annual General Meeting (the "Meeting"), of the shareholders (the "Shareholders") of the Company, to be held on the 14th day of July, 2016, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of Proxy are directors and/or officers of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the accompanying form of proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying form of proxy and insert the name of the Shareholder's nominee in the blank space provided, or complete another instrument of proxy.** A proxy will not be valid unless it is duly completed, signed and deposited with the Company's registrar and transfer agent, Computershare Trust Company of Canada ("**Computershare**") by hand or mail at 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof.

The Instrument of Proxy must be signed by the Shareholder or by his/her attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his/her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at the Company's registered office, located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, or with the Company's Registrar and Transfer Agent, Computershare Trust Company of Canada, located at the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax at 1-866-249-7758, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

In this instance by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed Instrument of Proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxy holder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR.

The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a "**Special Resolution**", in which case a majority of not less than two thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, common shares held by Shareholders of the Company who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to in this information circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting.

If common shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those common shares will not be registered in the Shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name "CDS & Co". (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. This year, the Company has decided to take advantage of those provisions of National Instrument 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form

("VIF") from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These security holder materials are being sent to both registered and non-registered owners of the shares of the Company. If you are a non-registered owner and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a proxyholder.

All references to shareholders in this Circular and the accompanying form of proxy are to registered shareholders unless specifically stated otherwise.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, none of the directors or executive officers of the Company at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a director of the Company, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company's authorized share capital consists of unlimited common shares (the "**Common Shares**") without par value and unlimited preferred shares. As at May 24, 2016 (the "**Record Date**"), the Company had 17,950,056 Common Shares issued and outstanding, each share carrying the right to one vote and no preferred shares outstanding. The Company has no other classes of voting securities.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

To the best of the knowledge of the directors and senior officers of the Company, no persons beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company on the Record Date.

EXECUTIVE COMPENSATION

Definitions: For the purpose of this Information Circular:

"**CEO**" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**closing market price**" means the price at which the company's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or

(b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**grant date**" means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"**incentive plan award**" means compensation awarded, earned, paid, or payable under an incentive plan;

"**NEO**" or "**Named Executive Officer**" means each of the following individuals:

- (c) a CEO;
- (d) a CFO;
- (e) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102F6, for that financial year; and
- (f) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"**NI 52-107**" means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons; and

"**share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

In accordance with the provisions of applicable securities legislation, the Company had two "Named Executive Officers" during the financial year ended December 31, 2015, namely: (1) Mr. Steve Levely, the Company's CEO and (2) Ms. Dan Liu, the Company's former CFO who resigned as CFO on November 30, 2015.

COMPENSATION DISCUSSION AND ANALYSIS

Each Named Executive Officer receives a base salary, which constitutes the largest share of the named executive officer's compensation package. Base salary is recognition for discharging job responsibilities and reflects the named executive officer's performance over time, as well as that individual's particular experience and qualifications. A Named Executive Officer's base salary is reviewed by the board of directors of the Company (the "**Board of Directors**") on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years. Named Executive Officers are also eligible to receive discretionary bonuses as determined by the Board of Directors based on each named executive officer's responsibilities, his achievement of corporate objectives and the Company's financial performance.

Share Based and Option Based Awards

The Company has in effect a stock option plan (the "**Stock Option Plan**") in order to provide effective incentives to directors, officers and senior management personnel and consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Company currently has no equity compensation plans other than the Stock Option Plan. The Stock Option Plan is an important part of the Company's long-term incentive strategy for its executive officers. The Stock Option Plan is intended to reinforce commitment to long-term growth in profitability and shareholder value. The size of stock option grants to officers is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such executive officer's long term contribution to the Company will be key to its long-term success. Previous grants of stock options are taken into account when considering new grants.

Use of Financial Instruments

The Company does not have a policy that would prohibit a Named Executive Officer or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. However, management is not aware of any Named Executive or director purchasing such an instrument.

The following table sets out certain information respecting the compensation paid to the CEO and CFO and any other named executive officer of the Company whose salary and bonus for the financial year ended December 31, 2015 exceeded \$150,000.

SUMMARY COMPENSATION TABLE

| Name and principal position | Year ⁽¹⁾ | Salary (\$) | Grant date fair value of share-based awards (\$) | Grant date fair value of option-based awards ⁽²⁾ (\$) | Non-equity incentive plan compensation | | Pension value | All other compensation | Total Compensation |
|---|---------------------|-------------|--|--|--|---------------------------|---------------|------------------------|--------------------|
| | | | | | Annual Incentive Plans | Long-term incentive plans | | | |
| Steve Levely CEO former EVP – Sales | 2015 | 160,000 | Nil | 220,779 | Nil | Nil | Nil | 56,271 | 437,050 |
| | 2014 ⁽³⁾ | 140,000 | Nil | 13,953 | Nil | Nil | Nil | 47,682 | 201,635 |
| | 2013 | 126,000 | Nil | 36,620 | Nil | Nil | Nil | 56,618 | 219,239 |
| Dan Liu former CFO | 2015 ⁽⁴⁾ | 112,000 | Nil | 28,677 | Nil | Nil | Nil | 5,817 | 146,494 |
| | 2014 ⁽⁵⁾ | 20,000 | Nil | Nil | Nil | Nil | Nil | Nil | 20,000 |

(1) Fiscal year ended December 31.

(2) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton model. See note 14(e) to the audited annual financial statements for the most recently completed financial year for underlying assumptions for options granted in the most recently completed financial year.

(3) Mr. Levely was appointed CEO of the Company on May 20, 2014.

(4) Ms. Liu resigned as the Company's CFO on November 30, 2015.

(5) Ms. Liu was appointed CFO of the Company on November 1, 2014

INCENTIVE PLAN AWARDS

The Company has in effect the Stock Option Plan in order to provide effective incentives to directors, officers, consultants, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's Shareholders. The Company has no equity compensation plans other than the Stock Option Plan.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the Named Executive Officers and which were outstanding at December 31, 2015:

| Name | Option-based Awards | | | | Share-based Awards | | |
|---------------------|---|----------------------------|------------------------|---|--|--|--|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money-options ⁽¹⁾ (\$) | 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 (\$) |
| Steve Levely CEO | 400,000 | 0.37 | June 15, 2018 | Nil | N/A | N/A | N/A |

(1) Based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the TSX Venture Exchange (the "Exchange") on the last day of the most recently completed financial year being \$0.24 as of December 31, 2015.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets forth particulars of the value vested or earned during the year ended December 31, 2015 in respect of incentive awards to the Named Executive Officers:

| Name | Option-based awards–Value vested during the year ⁽¹⁾ (\$) | Share-based awards–Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|-------------------------------|--|--|--|
| Steve Levely CEO | Nil | Nil | Nil |
| Dan Liu CFO ⁽²⁾ | Nil | Nil | Nil |

(1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the Exchange on the vesting date.

(2) Ms. Liu resigned as the Company's CFO on November 30, 2015.

The grant of stock options to NEO's pursuant to the Plan is discussed above under the heading "Compensation Discussion and Analysis – Option-Based Awards".

During the most recently completed financial year, the Company granted 525,000 stock options to NEO's. As at the end of said financial year, NEO's held 400,000 of the 981,571 then issued and outstanding employee stock options.

PENSION PLAN BENEFITS

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Mr. Levely is party to written employment agreement with the Company dated as of October 10, 2012. If Mr. Levely's employment was terminated by the Company without cause, Mr. Levely would have been entitled to 3 months of termination allowance. If Mr. Levely had been terminated by the Company without cause on December 31, 2015 his termination package would have been a minimum of \$40,000 or 3 months base salary.

Ms. Liu was party to written employment agreement with the Company dated as of October 1, 2012. Ms. Liu resigned as CFO of the Company on November 30, 2015.

DIRECTOR COMPENSATION

Director Compensation Table

There are no arrangements under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year end for their services in their capacity as directors or consultants.

The following table sets forth particulars of all compensation paid to directors who were not Named Executive Officers during the year ended December 31, 2015:

| Name | Fees earned (\$) | Share-based awards (\$) | Option-based awards (\$) ⁽¹⁾ | Non-equity incentive plan compensation (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
|-----------------------------|---------------------|-------------------------------|---|--|--------------------------|-----------------------------------|---------------|
| John Chapman | Nil | Nil | 14,157 | Nil | Nil | Nil | 14,157 |
| Sam Cole ⁽²⁾ | Nil | Nil | 17,800 | Nil | Nil | Nil | 17,800 |
| Garry Eamonn ⁽³⁾ | Nil | Nil | 7,689 | Nil | Nil | Nil | 7,689 |
| Jay Malowney ⁽⁴⁾ | Nil | Nil | 11,401 | Nil | Nil | Nil | 11,401 |

(1) Represents grant date fair value determined using the Black-Scholes Merton model.

(2) Mr. Cole was appointed as a director of the Company on April 10, 2015.

(3) Mr. Eamonn resigned as a director of the Company on April 10, 2015.

(4) Mr. Malowney resigned as a director of the Company on October 27, 2015.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to Directors who were not Named Executive Officers and which were outstanding during the fiscal year ended December 31, 2015:

| Name | Option-based Awards | | | | Share-based Awards | | |
|-------------------------|---|----------------------------|------------------------|---|--|--|--|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money-options (\$) ⁽¹⁾ | 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 (\$) |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| John Chapman | 50,000 | 0.21 | January 19, 2018 | \$1,500 | N/A | N/A | N/A |
| Sam Cole ⁽²⁾ | 50,000 | 0.37 | June 15, 2018 | Nil | N/A | N/A | N/A |

(1) Based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the Exchange on the last day of the most recently completed financial year, being \$0.24 as of December 31, 2015.

(2) Mr. Cole was appointed as a director of the Company on April 10, 2015.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets forth particulars of the value vested or earned during the year ended December 31, 2015 in respect of incentive awards to the not Named Executive Officers:

| Name | Option-based awards– Value vested during the year ⁽¹⁾ (\$) | Share-based awards– Value vested during the year (\$) | Non-equity incentive plan compensation–Value earned during the year (\$) |
|-----------------------------|---|---|--|
| John Chapman | N/A | N/A | N/A |
| Sam Cole ⁽²⁾ | N/A | N/A | N/A |
| Garry Eamonn ⁽³⁾ | N/A | N/A | N/A |
| Jay Malowney ⁽⁴⁾ | N/A | N/A | N/A |

(1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the exercise price of the option and the closing market price of the Company's common shares on the Exchange on the vesting date, being \$0.24 on December 31, 2015.

(2) Mr. Cole was appointed as a director of the Company on April 10, 2015.

(3) Mr. Eamonn resigned as a director of the Company on April 10, 2015.

(4) Mr. Malowney resigned as a director of the Company on October 27, 2015.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2015.

Equity Compensation Plan Information

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾ (a) | Weighted-average exercise price of outstanding options, warrants and rights⁽¹⁾ (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))⁽¹⁾ (c) |
|--|---|---|---|
| Equity compensation plans approved by securityholders ⁽²⁾ | 981,571 | \$0.46 | 712,841 |
| Equity compensation plans not approved by securityholders | N/A | N/A | N/A |
| TOTAL | 981,571 | N/A | 712,841 |

(1) The foregoing information is presented as of December 31, 2015.

(2) Represents the Plan of the Company, which reserves a number of common shares equal to 10% of the then outstanding common shares from time to time for issue pursuant to stock options.

For further information on the Company's equity compensation plans, refer to the heading "Approval of New Rolling Plan."

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Other than as disclosed hereunder, none of the directors, senior officers, proposed nominees for election as directors or their associates have been indebted to the Company since the beginning of the last completed financial year.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, none of:

- (a) the directors or senior officers of the Company at any time since the beginning of the last financial year of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "**Informed Person**" means (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2015, none of:

- a) the Informed Persons of the Company;
- b) the proposed nominees for election as a director of the Company; or
- c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the period ended December 31, 2015 (the "**Financial Statements**"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor's Report thereon and the Management Discussion and Analysis, are being mailed with this Information Circular to Shareholders who have requested to receive them. Copies of the Financial Statements, together with the Management Discussion and Analysis, Notice of Meeting, Information Circular and Proxy will be available from the Company's registered and records office, located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 or at www.sedar.com.

ELECTION OF DIRECTORS

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of directors at four (4). Although Management is nominating four (4) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

Each director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated, in accordance with the By-laws of the Company.

In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

ADVANCE NOTICE POLICY

In 2014 the Company amended its By-laws to incorporate advance notice provisions (the "**Advance Notice Provisions**") as approved by the shareholders of the Company at the annual general meeting held on June 16, 2014. The Advance Notice Provisions require advance notice to the Company in circumstances where nominations of persons for election to the board are made by Shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Canada Business Corporations Act* or (ii) a shareholder proposal made pursuant to the provisions of the *Canada Business Corporations Act*.

The purpose of the Advance Notice Provisions is to foster a variety of interests of the Shareholders and the Company by ensuring that all Shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provisions fix a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and set forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form. A copy of the Advance Notice Provisions are available under the Company's profile at www.sedar.com.

As of the date of the Management Information Circular, the Company has not received notice of a nomination in compliance with the Advance Notice Provisions.

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular. The three of the four nominees are all currently directors of the Company.

| Name, Province and Country of Ordinary Residence⁽¹⁾ | Positions Held with the Company | Principal Occupation and, IF NOT at Present an Elected Director, Occupation During the Past Five Years⁽¹⁾ | Date First Became a Director | No. of common shares Beneficially Owned, Directly or Indirectly⁽²⁾ |
|---|--|---|-------------------------------------|--|
| Steve Levely Ontario, Canada | Director and CEO | CEO of the Company | July 15, 2014 | 615,000 |
| Wayne O'Connell Ontario, Canada | Proposed Director | Chartered Professional Accountant, Jones & O'Connell LLP | Proposed | Nil |
| Sam Cole British Columbia, Canada | Director | Lawyer, Cassels Brock & Blackwell LLP | April 10, 2015 | 25,000 |
| Chad Holliday Ontario, Canada | Director | President, CK Holliday Ventures | January 11, 2016 | 75,000 |

(1) *The information as to ordinary residence, principal occupation and number of common shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.*

(2) *The information as to common shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective Directors individually.*

Three of the proposed nominees are ordinarily resident in Canada; the remaining nominee is resident in the US. The Company does not currently have an Executive Committee of its Board of Directors.

None of the proposed nominees for director have, 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 become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Other than as described below, no proposed director (including any personal holding company of a proposed director), is:

- (1) as at the date of the Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (1) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade 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 while such person was acting in the capacity as director, chief executive officer or chief financial officer;
 - (2) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;
- (2) as at the date of the Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (A) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- (B) 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 become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (C) has been subject to:
- a. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
 - b. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

AUDIT COMMITTEE DISCLOSURE

The Charter of the Company's audit committee and other information required to be disclosed by Form 52-110F2 is attached to this Information Circular as Schedule "A".

APPOINTMENT AND REMUNERATION OF AUDITORS

Management recommends the appointment of Grant Thornton LLP as Auditors for the Company, to hold office until the next annual general meeting of the shareholders at a remuneration to be fixed by the Board of Directors. Management recommends the appointment, and the persons named in the enclosed form of Proxy intend to vote in favour of such appointment.

CORPORATE GOVERNANCE

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this Information Circular as Schedule "B".

MANAGEMENT CONTRACTS

The Company is not a party to a management contract with anyone other than directors or executive officers of the Company, except as follows:

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

APPROVAL OF STOCK OPTION PLAN

At last year's annual general meeting, the Company proposed and the shareholders approved the Stock Option Plan. Under the policies of the Exchange, the Stock Option Plan must be re-approved on a yearly basis by shareholders.

Accordingly, Shareholders will be asked to pass an ordinary resolution approving the Company's Stock Option Plan to accommodate the Exchange's policies governing stock option plans. The details of the Stock Option Plan are set forth below.

- the Stock Option Plan reserves, for issue pursuant to stock options, a maximum number of common shares equal to 10% of the outstanding Common Shares of the Company from time to time, with no mandatory vesting provisions;
- the number of common shares reserved for issue to any one person in any 12 month period under the Stock Option Plan may not exceed 5% of the outstanding common shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);

- the number of common shares reserved for issue to any Consultant (as defined by the Exchange) in any 12 month period under the Stock Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- the aggregate number of Common Shares reserved for issue to any Employee (as defined by the Exchange) conducting Investor Relations Activities (as defined by the Exchange) in any 12 month period under the Stock Option Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- the number of Common Shares issued to any one person within a 12 month period on the exercise of stock options may not exceed 5% of the outstanding Common Shares at the time of exercise without Disinterested Shareholder Approval;
- the exercise price per common share for a stock option may not be less than the Discounted Market Price (as calculated pursuant to the policies of the Exchange);
- stock options may have a term not exceeding ten years;
- there is no longer any requirement that stock options terminate within specified periods of the optionee ceasing to be a director, officer, employee or consultant of the Company;
- stock options are non-assignable and non-transferable; and
- the Stock Option Plan contains provisions for adjustment in the number of Common Shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the common shares, or an amalgamation, merger or other relevant change in the Company's corporate structure, or any other relevant change in the Company's capitalization.

Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of, the approval of the Stock Option Plan.

Pursuant to the Board of Directors' authority to govern the implementation and administration of the Stock Option Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Stock Option Plan.

The text of the resolution to be passed is as follows. In order to be passed, a majority of the votes cast at the Meeting or in person or by proxy must be voted in favour of the resolution.

"BE IT RESOLVED THAT the Company's Stock Option Plan be and is hereby confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the Policies of the Exchange, as the directors of the Company may deem necessary or advisable."

OTHER MATTERS

At the time of the printing of this Information Circular, the Company's management is not aware of any other matters to be presented for action at the Meeting other than those referred to in the Notice. If, however, any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of Proxy to vote on same in accordance with the best judgment on such matters.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company, at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8, and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

DIRECTOR APPROVAL

The contents of this Information Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

DATED at Ottawa, Ontario, this 24th day of May, 2016

ACKROO INC.

"Steve Levely"

STEVE LEVELY
Chief Executive Officer & Director

APPENDIX "A"

ACKROO INC.

AUDIT COMMITTEE CHARTER

1. THE AUDIT COMMITTEE'S CHARTER

Purpose

The overall purpose of the Audit Committee (the "**Committee**") of ACKROO INC. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

Composition, Procedures and Organization

- (1) The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee 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 to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
 - (A) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (B) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

- (C) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

- (1) The overall duties and responsibilities of the Committee shall be as follows:
 - (A) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (B) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (C) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (D) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (2) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (A) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (B) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (C) review the audit plan of the external auditors prior to the commencement of the audit;
 - (D) to review with the external auditors, upon completion of their audit:
 - (1) contents of their report;
 - (2) scope and quality of the audit work performed;
 - (3) adequacy of the Company's financial and auditing personnel;
 - (4) co-operation received from the Company's personnel during the audit;
 - (5) internal resources used;
 - (6) significant transactions outside of the normal business of the Company;
 - (7) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (8) the non-audit services provided by the external auditors;
 - (E) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
 - (F) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (3) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

- (A) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (B) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (C) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (D) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (4) The Committee is also charged with the responsibility to:
- (A) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (B) review and approve the financial sections of:
 - (1) the annual report to Shareholders;
 - (2) the annual information form, if required;
 - (3) annual and interim MD&A;
 - (4) prospectuses;
 - (5) news releases discussing financial results of the Company; and
 - (6) other public reports of a financial nature requiring approval by the Board,
 - (7) and report to the Board with respect thereto;
 - (C) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (D) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (E) review and report on the integrity of the Company's consolidated financial statements;
 - (F) review the minutes of any audit committee meeting of subsidiary companies;
 - (G) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (H) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (I) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (5) The Committee shall have the authority:

- (A) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- (B) to set and pay the compensation for any advisors employed by the Committee; and
- (C) to communicate directly with the internal and external auditors.

COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Messrs. Sam Cole, Chad Holliday and John Chapman. Mr. Wayne O'Connell is a proposed member of the Committee should he be elected as a director of the Company. All of the members are financially literate. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 (the "**Instrument**") of the Canadian Securities Administrators.

RELEVANT EDUCATION AND EXPERIENCE

The members of the Audit Committee have acted as directors or officers of the following public companies which has provided them with experience relevant to the performance of their responsibility as Audit Committee Members.

Mr. John Chapman

Mr. Chapman who is a director of the Company and he serves as the Chairman of Ackroo's Audit Committee and he is currently the Chief Financial Officer for ZIM Corporation and Guardian Mobility, Inc.. He was also Chief Financial Officer for Ackroo from 2012 until October 2014. Prior to 2006 John held the positions of Director of Finance and Program Management Office at Amdocs Canadian Managed Services and he has also held various positions at Bell Canada and BCE companies in the areas of Finance, Human Resources and Engineering.

Mr. Sam Cole

Mr. Cole is a corporate securities lawyer with the firm of Cassels Brock & Blackwell LLP, based in Vancouver. He specializes in advising small and micro-cap public companies on corporate governance and regulatory compliance. He is a graduate of the University of British Columbia, and a member of the Law Society of British Columbia.

Mr. Chad Holliday

Mr. Holliday has over 20 years of experience growing small and large telecom software businesses and is currently President of the management-consulting firm CK Holliday Ventures. From 2013 to 2015, Chad was the Vice President and General Manager of the Mobile Policy and Charging software business at Alcatel-Lucent. Prior to this Chad ran the Alcatel-Lucent's IPD Network Management product management and marketing team. Prior to Alcatel-Lucent Chad has held various engineering and executive positions at start-ups such as Newbridge and Thirdspace. Mr. Holliday is a graduate of the University of Regina and holds a Bachelor of Computer Science.

Mr. Wayne O'Connell - Proposed

Mr. O'Connell has been a partner with Jones & O'Connell LLP since 2008 and has over 20 years of experience in public accounting. He currently is a member of the DICO audit advisory committee and the CPA Ontario practice inspection committee. Mr. O'Connell has also served on various other not for profit boards and committees in the past.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year was a recommendation by the Committee to nominate or compensate an external auditor (currently, Welch LLP) not adopted by the Board.

RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of the Instrument, the Company has not relied on the exemptions contained in sections 2.4 or 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-

audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

| The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years is as follows: | FYE 2015⁽¹⁾ | FYE 2014⁽²⁾ |
|---|-------------------------------|-------------------------------|
| Audit Costs Including T2 Corporate Tax Returns for the year ended | \$66,000 | \$52,500 |
| All other fees (non-tax) Assistance with Quarterly Report Preparation | \$7,748 | \$6,000 |

(1) Estimated audit costs of \$61,000 with estimated tax preparation fees of \$5,000 for Ackroo Inc. and all Canadian and US subsidiaries.

(2) Audit costs of \$47,500 with tax preparation fees of \$5,000 for Ackroo Inc. and all Canadian and US subsidiaries.

EXEMPTION

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

APPENDIX "B"

Form 58-101F2

CORPORATE GOVERNANCE DISCLOSURE (VENTURE ISSUERS)

Item 1: Board of Directors

The Board of Directors (the "**Board**") facilitates its exercise of independent supervision over management through:

- (a) **Strategic Planning.** The Company's strategic business plan, including capital budgeting, is prepared by Mr. Cole, Mr. Chapman and Mr. Lively of the Company. The plan is then reviewed and discussed by the Board.
- (b) **Periodic review.** The Board meets at scheduled times and on an as needed basis with senior management to discuss the implementation of the Company's strategic plan and any issues in respect thereof, to discuss any material variances from the capital budget, and to give guidance to senior management and otherwise revise the strategic plan and capital budget as required.
- (c) **Audit Committee.** The Audit Committee is made up of a majority of independent directors, and has direct communication with internal personnel responsible for financial statement preparation and meets independently with the Company's external auditors as required. The Audit Committee's responsibilities include reviewing financial statements and the integrity of the Company's internal controls and management information systems. The Audit Committee meets with the Board annually and on an as needed basis to discuss these matters. Members of the Board are encouraged to bring any matter of concern in respect to the foregoing matters to the Audit Committee.
- (d) **Corporate Governance.** The Board as a whole is responsible for establishing and developing corporate governance practices appropriate for the Company.
- (e) **Approvals.** In addition to those matters which must, by law, be approved by the Board, approval for any transaction which is outside the ordinary course of business, with a non-arms length party or could be considered to be material to the Company must be approved by the Board.
- (f) **Independent members.** Meetings of the Board, independent of management, are encouraged as circumstances require.

The Board is currently comprised of four directors, being Steve Lively, John Chapman, Sam Cole and Chad Holliday. Messrs. Chapman, Cole and Holliday are considered independent. Mr. Lively is not considered independent as he is the CEO of the Company. In the event that Mr. O'Connell is elected as a director of the Company, he would be considered independent.

For purposes of the foregoing discussion, "independence" is defined as a member who has no direct or indirect relationship which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the member's independent judgment, and expressly includes but is not limited to an individual who has a relationship with the issuer pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer other than as remuneration for acting in his or her capacity as a member or as a part-time chair or vice-chair of the board of directors or any board committee.

Item 2: Directorships

None of the directors of the Company are directors of other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction.

Item 3: Orientation and Continuing Education

The Board does not currently have formal procedures or a program for the orientation of new board members, as no new board members are presently contemplated, or for the continuing education of board members.

Item 4: Ethical Business Conduct

The Board does not currently take any formal steps to encourage and promote a culture of ethics and business conduct. Board members, however, are expected to maintain the highest standards of integrity and to lead by example.

Item 5: Nomination of Directors

The Board is not currently taking any steps to identify new candidates for Board nomination, as the current number of directors and the composition of the Board is considered adequate for a corporation of the current size and stage of development of the Company.

Item 6: Compensation

The Board does not have a Compensation Committee.

Item 7: Other Board Committees

The Board has no other committees.

Item 8: Assessments

The Board as a whole assesses its performance, the performance of Board committees and the contribution of individual directors on an ongoing basis.

The Company allows any member of the Board to engage an outside advisor at the expense of the Company in appropriate circumstances. The engagement of an outside advisor is subject to the approval by the Board as a whole.