

# **REDKNEE**

**REDKNEE SOLUTIONS INC.**

**NOTICE OF  
ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MARCH 23, 2009**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

# REDKNEE

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS Monday, March 23, 2009

**NOTICE IS HEREBY GIVEN THAT** the Annual Meeting (the “Meeting”) of holders of common shares of Redknee Solutions Inc. (the “Corporation”) will be held on Monday, March 23, 2009, at Redknee’s head offices, 2560 Matheson Blvd. East, Suite 120, Mississauga, Ontario at 10:00 am for the following purposes:

- 1. to receive the Corporation’s Annual Report together with the consolidated financial statements of the Corporation for the fiscal year ended September 30, 2008 together with the auditors’ report thereon;**
- 2. to elect directors;**
- 3. to re-appoint auditors and to authorize the directors to fix the remuneration of the auditors; and**
- 4. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.**

This notice is accompanied by a form of proxy, management information circular and the Corporation’s annual report to shareholders. 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 February 13, 2009 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, 9th Floor, Toronto, Ontario, Canada, M5J 2Y1, facsimile number (416) 263-9524. To be effective, a proxy must be received not later than 10:00 am on March 20, 2009.

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

DATED at Toronto, this 24th day of February, 2009.

**BY ORDER OF THE BOARD OF DIRECTORS**



**Lucas Skoczowski**  
*Chief Executive Officer*

# REDKNEE

## REDKNEE SOLUTIONS INC.

### MANAGEMENT INFORMATION CIRCULAR

In this Management Information Circular (the “Circular”) all information provided is current as of February 24, 2009, and all dollar amounts are expressed in Canadian dollars, unless otherwise indicated.

#### SOLICITATION OF PROXIES

**THIS CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION, BY OR ON BEHALF OF THE MANAGEMENT OF REDKNEE SOLUTIONS INC. (THE “CORPORATION”), OF PROXIES TO BE USED AT THE CORPORATION’S ANNUAL MEETING OF THE SHAREHOLDERS OF COMMON SHARES (THE “COMMON SHARES”) TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING (THE “NOTICE OF MEETING”) OR AT ANY ADJOURNMENT THEREOF.** It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation’s transfer agent, Computershare Investor Services Inc. at nominal cost. The cost of soliciting will be borne by the Corporation.

#### APPOINTMENT OF PROXIES

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

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

## **Registered Shareholders**

A registered shareholder can vote Common Shares owned by it at the Meeting in one of two ways – either in person at the Meeting or by proxy. A registered shareholder who wishes to vote in person at the Meeting should not complete or return the form of proxy included with this Circular. A 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, 9th Floor, Toronto, Ontario M5J 2Y1 (Fax: (866) 249-7775 or (416) 263-9524), by no later than 10:00 am (Toronto time) on March 20, 2009, or, in the case of any adjournment of the meeting, by no later than 10:00 am (Toronto time) on the second business day immediately preceding any adjournment thereof.

## **Non-Registered Shareholders**

In the case of non-registered shareholders who receive these materials through their broker or other intermediary, the shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary. To be effective, a proxy must be received by Computershare Investor Services Inc. no later than March 20, 2009 at 10:00 a.m. (Toronto time), or in the case of any adjournment of the Meeting, on the second business day immediately preceding any adjournment thereof.

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

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

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the non-registered shareholder with respect to the voting of shares will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by intermediary "non-votes" will, however, be counted in determining whether there is a quorum.

## **REVOCATION OF PROXIES**

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

## **VOTING OF PROXIES**

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

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

## **VOTING OF SHARES**

### **Voting Shares**

As at February 24, 2009 the Corporation had 59,210,271 Common Shares outstanding, each carrying the right to one vote per share. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

### **Record Date**

The Board of Directors has fixed February 13, 2009 as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. Any holder of Common Shares of record at the close of business on the record date is entitled to vote the Common Shares registered in such shareholder's name at that date on each matter to be acted upon at the Meeting.

## Principal Shareholders

To the knowledge of the directors and executive officers of the Corporation, as at February 24, 2009 no person beneficially owns, directly or indirectly, or controls or directs voting securities carrying 10% or more of the voting rights attached to the outstanding Common Shares of the Corporation except as stated below.

Name	Aggregate Number of Common Shares	Percentage of Outstanding Common Shares
Lucas Skoczkowski	9,187,115	15.51%
Duncan Ratcliffe	7,668,371	12.95%

### INTEREST IN MATTERS TO BE ACTED UPON

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 other than the election of directors.

### MATTERS TO BE ACTED UPON AT MEETING

#### **1. Presentation of Annual Report for Fiscal 2008**

A copy of the Corporation's Annual Report for the year ended September 30, 2008 which includes the Corporation's consolidated financial statements for the year then ended, the report of the auditors thereon and management's discussion and analysis, is being distributed concurrently with this Information Circular.

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

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

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

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

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as at February 24, 2009. The information as to shares beneficially owned or over

which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

Nominee Name and Place of Residence	Principal Occupation	Became Director	Common Shares	Options
Stephen Davies <sup>(2), (3) (1)</sup> Hemel Hempstead Herts, England, UK	Independent Corporate Director	January 9, 2007	183,730	20,000
Alan Michels <sup>(1), (3) (1)</sup> Scottsdale, Arizona	Independent Corporate Director	December 10, 2008	115,000	20,000
James Pelot <sup>(1) (1)</sup> Toronto, Ontario	Chief Financial Officer, ArcticDx Inc.	November 1, 2006	27,500	70,000
John Phillips <sup>(1), (2) (1)</sup> Toronto, Ontario	President, Klister Credit Corporation	November 1, 2006	1,427,418	216,874
Lucas Skoczkowski Oakville, Ontario	Chief Executive Officer, Redknee Solutions Inc.	November 1, 2006	9,187,115	0
Kent Thexton, Chair <sup>(2) (3) (1)</sup> Vancouver, British Columbia	Chief Executive Officer, Genie Global Inc.	November 1, 2006	1,267,285	182,500

1. Member of Audit Committee.
2. Member of Compensation Committee.
3. Member of Nomination Committee.

(1) Denotes Independent Director

### **NOMINEES FOR ELECTION TO BOARD OF DIRECTORS**

**STEPHEN DAVIES** - Mr. Davies joined the Board in January 2007. Mr. Davies has worked in the internet and telecom industry for over 30 years. Prior to joining Redknee's Board, Mr. Davies served as a director of O2 Group plc. Mr. Davies is currently Chairman of Genie (UK), chairman of The Practice Plc, and non-executive director of AperioCI.

**ALAN MICHELS** - Mr. Michels joined Redknee's Board as a non-executive Director in December 2008. During the five years prior to his appointment to the board Mr. Michels served as President of Kenan Systems Inc. and President and CEO of Telewest Communications, Plc.

**JAMES PELOT**- Mr. Pelot has been a director of the Corporation since November 2006. Prior to his current position as Chief Financial Officer of ArcticDx Inc., Mr. Pelot was Chief Financial Officer and Chief Operating Officer of Tm Bioscience Corporation from September 2001 to March 2007. Mr. Pelot holds B. Commerce degree from the University of Ottawa and is a Chartered Accountant.

**JOHN PHILLIPS** - Mr. Phillips joined the Board in November 2006, having served on the Board of Redknee Inc. since 2002. Prior to Redknee, Mr. Phillips worked at Clearnet Communications Inc. (now TELUS Mobility, the wireless business unit of TELUS Corporation) as part of the executive management team. Mr. Phillips served as chairman of the Canadian Wireless Telecommunications Association during 1998 and 1999 and continues to serve as a director of various other companies. Mr. Phillips has a law degree from the University of Toronto.

**LUCAS SKOCZKOWSKI** - Mr. Skoczowski is Chief Executive Officer of the Corporation and has been a director of the Corporation since November 2006. Prior to being appointed Chief Executive Officer of the Corporation in August 2004, Mr. Skoczowski was Chief Operating Officer of the Corporation from March 2000 to August 2004.

**KENT THEXTON** -Mr. Thexton joined the Board of the Company in 2006, having served on the Board of Redknee Inc. since 2004. Mr. Thexton is also Chairman of i-wireless, and on the boards of Sierra Wireless (which is listed on the NASDAQ and Toronto Stock Exchanges) and Seven Networks, Inc. Previously Mr. Thexton was the Chief Data and Marketing Officer for O2 Group plc and a member of the O2 Company plc Board of Directors. Mr. Thexton holds a Master of Business Administration and a Bachelor of Electrical Engineering Degree from the University of Western Ontario.

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

PricewaterhouseCoopers LLP are the current auditors of the Corporation. PricewaterhouseCoopers LLP were first appointed as interim auditors of the Corporation by the Board on September 11, 2007 upon the resignation of the Corporation's auditors, KPMG LLP, who served as auditors of the Corporation for the period April 4, 1999 to September 11, 2007. At the Meeting, the holders of Common Shares will be requested to re-appoint PricewaterhouseCoopers LLP as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board of Directors to fix the auditors' remuneration.

The following table sets out the approximate fees the Corporation incurred in using the services of PricewaterhouseCoopers LLP, during the two (2) preceding fiscal years is as follows:

<b>Audit Fees</b>	<b>Fiscal 2008</b>	<b>Fiscal 2007</b>
	(\$)	(\$)
Audit and Audit-Related Fees <sup>(1)</sup>	275,000	664,307
Tax Fees	200,000	119,083
All Other Fees	41,000	17,593

<sup>(1)</sup> "Audit Fees and Audit Related Fees" relate audit services completed for the year ended September 30, 2008.

<sup>(2)</sup> "Tax Fees" relate to fees for tax preparation of all legal entities.

<sup>(3)</sup> "Other Fees" in fiscal 2008 related to fees for consulting on tax and entity matters.

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

### **4. Other Matters**

The Corporation knows of no other matters to be brought before the Meeting. If any amendment, variation or other business is properly brought before the Meeting, the enclosed form of proxy and voting instruction confers discretion on the persons named on the form of proxy to vote on such matters in accordance with their best judgment.



## Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Colley Clarke was a director of SkyView World Media LLC (“Skyview”) in August 1999 when it filed for protection under Chapter 11 of the United States Code. Skyview subsequently filed for bankruptcy under Chapter 7 of the United States Code. Skyview had been in the process of raising approximately USD\$200 million of debt funding to complete the funding of its growth strategy when there was a downturn in the markets and Skyview was unable to obtain the funding and, as a result, became insolvent.

The information as to cease trade orders and bankruptcies, not being within the knowledge of the Company, has been furnished by the directors and executive officers, respectively.

## STATEMENT OF EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table sets forth information regarding compensation earned by the Corporation’s Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), and each of the three other executive officers who had the highest aggregate compensation, for the year ended September 30, 2008 (collectively, the “Named Executive Officers”):

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards	All Other Compensation (\$)
		Base Salary <sup>(1)</sup> (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options Granted	
Lucas Skoczowski <i>Chief Executive Officer</i>	2008	275,000	332,750	Nil	Nil	2,611 <sup>(2)</sup>
Colley Clarke <i>Chief Financial Officer</i>	2008	240,000	208,350	Nil	Nil	15,150 <sup>(2)</sup>
Michael Bryce <i>Vice-President Global Operations</i>	2008	220,000	121,825	Nil	300,000	150,000 <sup>(3)</sup>
Jim Diotte <i>Chief Human Resources Officer</i>	2008	220,000	108,405	Nil	Nil	15,150 <sup>(2)</sup>
Vishal Kothari <i>Vice-President Global Sales</i>	2008	175,000	211,312	Nil	Nil	Nil

(1) Represents base salary in effect for such individual as of September 30, 2008.

(2) Represents a tenure award bonus described in Stock Option Loan Program noted below.

(3) Represents payments made in the year ended September 30, 2008 provided for in Mr. Bryce’s contract of employment in respect of entitlements that he would have otherwise received from his former employment.

## Option Grants During the Most Recently Completed Financial Year

The following table provides information regarding options granted to Named Executive Officers of the Corporation pursuant to the Corporation's Stock Option Plan during the financial year ended September 30, 2008:

NEO Name	Securities Under Options/SARs Granted (#)	Per Cent of Total Securities Under Options/SARs Granted to Employees in Financial Year	Exercise of Based Price (\$/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant (\$/Security)	Expiration Date
Michael Bryce	100,000	12.0%	41pence	41pence	June 23, 2018
Michael Bryce	200,000	18.1%	44pence	44pence	January 9, 2018

## Aggregated Option Exercises During the Most Recently Completed Year and Financial Year-End Option Values

For the financial year ended September 30, 2008, no Named Executive Officers exercised options pursuant to the Corporation's Stock Option Plan (or its predecessor Plan).

NEO Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at FY-End (#) Exercisable / Unexercisable		Value of Unexercised in-the-Money Options at FY-End (\$) Exercisable/Unexercisable
Lucas Skoczowski <i>Chief Executive Officer</i>	Nil	Nil	Nil	Nil	Nil
Colley Clarke <i>Chief Financial Officer</i>	Nil	Nil	475,000	150,000	Nil
Michael Bryce <i>Vice-President Global Operations</i>	Nil	Nil	Nil	300,000	Nil
Jim Diotte <i>Chief Human Resources Officer</i>	Nil	Nil	250,000	125,000	Nil
Vishal Kothari <i>Vice-President Global Sales</i>	Nil	Nil	Nil	Nil	Nil

## Employment Contracts for Named Executive Officers

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

**Lucas Skoczowski** is employed as the Chief Executive Officer pursuant to the terms of a service agreement with Redknee dated October 1, 2006. The agreement can be terminated by Redknee at any time for cause or by Mr. Skoczowski upon 12 months' notice. If Mr. Skoczowski's employment is terminated by Redknee without cause at any time, then Mr. Skoczowski is entitled to all outstanding and accrued salary, performance bonus, vacation pay, and 24 months of current salary plus a performance bonus equal to 100 per cent of his base salary for this period, continuation of benefit coverage for 24 months or a payment of an amount equal to such coverage and the immediate vesting of 100 per cent of

his unvested restricted shares. If Mr. Skoczkowski's employment is terminated without cause within 12 months after the occurrence of a change in control of Redknee, then Mr. Skoczkowski is entitled to all outstanding and accrued salary, performance bonus vacation pay, and 24 months of current base salary plus a performance bonus equal to 24 months' base salary, continuation of benefit coverage for 24 months or a payment of an amount equal to such coverage and immediate vesting of 100 per cent of his unvested restricted shares. Mr. Skoczkowski is subject to certain non-competition and non-solicitation covenants for a period of 12 months' following the termination of his employment. Mr. Skoczkowski is paid a base salary of \$275,000 and is eligible to receive an annual performance bonus for achieving financial objectives as determined and set by the Board.

**Colley Clarke** is employed as the Chief Financial Officer pursuant to the terms of a service agreement with Redknee dated March 31, 2004. The agreement can be terminated by Redknee at any time for cause or by Mr. Clarke upon six months' notice. If Mr. Clarke's employment is terminated by Redknee without cause at any time, then Mr. Clarke is entitled to all outstanding and accrued salary, performance bonus, vacation pay, 12 months of current salary, continuation of benefit coverage for 12 months or a payment of an amount equal to such coverage and the immediate vesting of 25 per cent of his unvested options, exercisable for up to five years or the date of expiry of the options, whichever is earlier. If Mr. Clarke's employment is terminated without cause or Mr. Clarke resigns, in either case within 12 months after the occurrence of a change in control of Redknee, then Mr. Clarke is entitled to all outstanding and accrued salary, performance bonus, vacation pay, 18 months of current salary plus a performance bonus equal to 75 per cent of 18 months' base salary, continuation of benefit coverage for 12 months or a payment of an amount equal to such coverage and immediate vesting of 25 per cent of his options and all then vested options are exercisable for up to five years or the date of expiry of the options, whichever is earlier. Mr. Clarke is subject to certain non-competition and non-solicitation covenants for a period of 12 months' following the termination of his employment. Mr. Clarke is paid a base salary of \$240,000 and is eligible to receive an annual performance bonus for achieving financial objectives as determined and set by the CEO.

**Michael Bryce** is employed as the Vice President, Global Operations pursuant to the terms of a service agreement with Redknee dated July 20, 2007. The agreement can be terminated by Redknee at any time for cause or by Mr. Bryce upon two months' notice. If Mr. Bryce's employment is terminated by Redknee without cause at any time, then Mr. Bryce is entitled to all outstanding and accrued salary, vacation pay, a lump sum payment of \$220,000, continuation of benefit coverage for six months, and the balance of any lump sum payments still outstanding under his contract of employment. Mr. Bryce is subject to certain non-competition and non-solicitation covenants for a period of four months and 12 months respectively following the termination of his employment. Mr. Bryce is paid a base salary of \$220,000 and is eligible to receive an annual performance bonus for achieving financial objectives as determined and set by the CEO. Under the terms of his service agreement, Mr. Bryce is entitled to payments up to an aggregate of \$300,000 (of which \$150,000 was paid as at September 30, 2008). These payments are payable pursuant to a fixed schedule and are made in respect of entitlements that he would have otherwise received from his former employment.

**Jim Diotte** is employed as the Chief Human Resources Officer pursuant to the terms of a service agreement with Redknee dated July 11, 2005 and amended November 14, 2006. The agreement can be terminated by Redknee at any time for cause or by Mr. Diotte upon two months' notice. If Mr. Diotte's employment is terminated by Redknee without cause at any time, then Mr. Diotte is entitled to all outstanding and accrued salary, performance bonus vacation pay, 12 months of current salary, continuation of benefit coverage for 12 months or a payment of an amount equal to such coverage and the immediate vesting of 25 per cent of his unvested options, exercisable for up to five years or the date of expiry of the options, whichever is earlier. If Mr. Diotte's employment is terminated without cause or Mr. Diotte resigns, in either case within 12 months after the occurrence of a change in control of Redknee, then Mr. Diotte is entitled to all outstanding and accrued salary, performance bonus vacation pay, 18 months of current salary plus a performance bonus equal to 75 per cent of 18 months' base salary, continuation of benefit coverage for 12 months or a payment of an amount equal to such coverage and

immediate vesting of 25 per cent of his options and all then vested options are exercisable for up to five years or the date of expiry of the options, whichever is earlier. Mr. Diotte is subject to certain non-competition and non-solicitation covenants for a period of 12 months' following the termination of his employment. Mr. Diotte is paid a base salary of \$220,000 and is eligible to receive an annual performance bonus for achieving financial objectives as determined and set by the CEO.

**Vishal Kothari** is employed as the Vice President, Global Sales pursuant to the terms of a service agreement with Redknee dated November 14, 2006. The agreement can be terminated by Redknee at any time for cause or by Mr. Kothari upon two months' notice. If Mr. Kothari's employment is terminated by Redknee without cause at any time, then Mr. Kothari is entitled to all outstanding and accrued salary, performance bonus, vacation pay, 12 months of current salary, continuation of benefit coverage for 12 months or a payment of an amount equal to such coverage and the immediate vesting of 25 per cent of his unvested options, exercisable for up to five years or the date of expiry of the options, whichever is earlier. If Mr. Kothari's employment is terminated without cause or Mr. Kothari resigns, in either case within 12 months after the occurrence of a change in control of Redknee, then Mr. Kothari is entitled to all outstanding and accrued salary, performance bonus, vacation pay, 18 months of current salary plus a performance bonus equal to 75 per cent of 18 months' base salary, continuation of benefit coverage for 12 months or a payment of an amount equal to such coverage and immediate vesting of 25 per cent of his options and all then vested options are exercisable for up to five years or the date of expiry of the options, whichever is earlier. Mr. Kothari is subject to certain non-competition and non-solicitation covenants for a period of 12 months following the termination of his employment. Mr. Kothari is paid a base salary of \$175,000 and is eligible to receive an annual performance bonus for achieving financial objectives as determined and set by the CEO.

For all Named Executive Officers, upon termination of employment any unvested options terminate in accordance with the Stock Option Plan.

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

The compensation committee of the Board (the "Compensation Committee") is comprised of three board members namely John Phillips (Chair), Stephen Davies and Kent Thexton (Chair of the Board). All of the Compensation Committee members are independent directors and none of whom is presently, or has ever been, an officer or employee of the Corporation or any of its subsidiaries.

### **Report on Executive Compensation**

The Compensation Committee is responsible for making recommendations for approval by the Board of Directors with respect to the remuneration of executives of the Corporation including, the Chief Executive Officer (CEO), the Named Executive Officers and, those executive officers who report directly to the CEO (the "Executive Officers") in support of the achievement of the Corporation's business strategy.

The Compensation philosophy of the Corporation is based on the following two principles: reward performance and market competitive pay. This philosophy is applied across the company, including the Executive Officers. The Compensation Committee of the Board is responsible for setting the compensation levels of the Executive Officers and recommending compensation level for the CEO to the full board.

Executive compensation consists of a combination of three components:

1. Base Salary and Benefits;
2. Annual Incentive Plan; and
3. Equity Based Long-Term Compensation.

**Base Salary and Benefits:** Base salary and benefit packages are intended to adequately remunerate Executive Officers for properly fulfilling the requirements of their position. The base salary level for each executive is determined based on the executive's previous experience, his/her current performance and his/her anticipated future contribution to the growth of the Corporation. In fiscal 2008 the Corporation participated in an industry compensation survey. Data from the survey were used to verify the relative competitiveness of the Corporation's compensation plan across all employee groups, including the executives. The salary of the Chief Executive Officer and any benefits extended to CEO beyond those extended to all other employees of the Corporation are based on the same criteria and are reviewed by the Compensation Committee and approved by the Board of Directors.

**Annual Incentive Plan:** The annual incentive plan was designed to reward increased revenue and progress in meeting certain other defined targets which are assigned values that correlate to achievement under the annual incentive plan. In fiscal 2008, and the Corporation exceeded its revenue growth targets and made significant progress on other objectives.

**Equity Based Long-Term Compensation:** The Compensation Committee provides equity based long term compensation through its stock option plan and restricted share plan. See description of these plans under the section entitled Equity Compensation Plan Information.

**Compensation Structure and Mix:** The chart below indicates the mix of compensation for the Chief Executive Officer, the Chief Financial Officer and the next three highest compensated named executives.

	Base Salary	Annual Incentive	RSUs	Stock Options	Special Bonus*	Total Portion Of Pay at Risk
Chief Executive Officer	45%	55%	0	0	0	55%
Chief Financial Officer	54%	46%	0	0	0	46%
Vice-President, Product Operations	45%	25%	0	0	30%	25%
Chief Human Resources Officer	67%	33%	0	0	0	33%
Vice President, Global Sales	45%	55%	0	0	0	55%

### Compensation of Directors

During the financial year ended September 30, 2008, the following directors of the Corporation who were not officers or employees of the Corporation were entitled to receive the following compensation:

Name	Position	Remuneration Fees	Remuneration Options
Stephen Davies	Non-executive Director Chair of the Nomination Committee	£20,000	20,000
James Pelot	Non-executive Director, Chair of the Audit Committee	\$45,000	20,000
John Phillips	Non-executive Director, Chair of the Compensation Committee	\$40,000	20,000
Kent Thexton	Non-executive Chairman of the Board	\$60,000	20,000

Directors are eligible to participate in the Corporation's Stock Option Plan and Restricted Share Plan. Directors are also entitled to be reimbursed for expenses incurred by them in their capacity as directors.

Directors who are also officers or employees of the Corporation are not paid any amount as a result of their serving as directors of the Corporation.

### Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercised 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))
Plan Category	(a)	(b)	(c)
<i>Equity Compensation plans not approved by securityholders</i>	Nil	Nil	Nil
<i>Equity Compensation plans not approved by securityholders</i>	5,753,638	\$1.12	4,037,108
<b>TOTAL</b>	5,753,638	\$1.12	4,037,108

### Stock Option Plan

The Corporation adopted the Stock Option Plan to provide long-term incentives to attract, motivate and retain its employees, directors, officers and service providers. The following is a description of certain provisions of the Stock Option Plan.

(a) *Eligibility*

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

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

The Corporation may, from time to time, grant options to a Participant to acquire the Corporation's Common Shares in accordance with the Stock Option Plan. The maximum number of Common Shares that may be issued by the Corporation to Participants pursuant to options granted and outstanding under this Stock Option Plan is 5,753,638 which represents approximately 9.7% of the total and issued and outstanding Common Shares, and of which 4,037,108 options granted remain unexercised. When granting options, the Corporation will designate the maximum number of the Corporation's Common Shares that may be purchased under the options, taking into account the amount and terms of outstanding options and shares to establish the exercise price of the options, designate the conditions under which the options will vest, determine the expiry date for exercise of the options (which shall be no later than 10 years after the date the options are granted), and with respect to options granted to US residents or citizens, whether the option is intended to constitute an incentive stock option. Stock options grants typically vest in increments of 25% per year over four years and expire after ten years.

The exercise prices for options shall not be less than the fair market value of the Common Shares on the date the options are granted, which so long as the Corporation's Common Shares are traded on a stock exchange, is defined to be the closing price for the Common Shares on the day immediately prior to such date on the stock exchange on which the highest aggregate volume of Common Shares have traded on such date.

Upon termination of employment with or without cause, all entitlements under the stock option plan cease subject to a ten day period to exercise any vested options.

(c) *Amendments*

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

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

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

## Restricted Share Plan

The Corporation adopted the Restricted Share Plan on November 10, 2006. Under the Restricted Share Plan eligible employees ("Eligible Employees") and directors may receive restricted shares ("RSU" or "RSUs"). Under such plan, beneficial ownership of the Common Shares underlying the RSUs arises at the outset however any unvested restricted shares will be forfeited if the Eligible Employee ceases to be an Eligible employee, and, if the employee is terminated for cause, any vested RSUs that have not been distributed to the employee will also be forfeited. The restricted shares granted to employees will have, subject to any applicable employment or grant agreement, the following vesting schedule: 50 per cent on the second anniversary of the date they were granted; 25 per cent on the third anniversary; and the remaining 25 per cent on the fourth anniversary the RSUs granted to Directors vest immediately but are subject to a one year resale restriction (unless the director dies within this one year period, in which case, the shares may be sold immediately).

For the financial year ended September 30, 2008, there were no RSU grants pursuant to the Corporation's Restricted Share Plan.

## Indebtedness of Directors and Executive Officers

The following table sets out the aggregate outstanding indebtedness, as at January 31, 2009, of all current and former executive officers, directors and employees of the Corporation or any of its subsidiaries, to the Corporation and any of its subsidiaries, and to other entities if the indebtedness to such other entities is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the issuer or any of its subsidiaries.

Aggregate Indebtedness (\$)		
Purpose	To the Corporation or its Subsidiaries	To Another Entity
Option Loan Program	959,477	Nil
Share Purchases	0	Nil

Indebtedness of Executive Officers (\$)		
Name	Position	Amount of Indebtedness to the Corporation as at January 31, 2009
Lucas Skoczowski	Chief Executive Officer	\$26,117
Colley Clarke	Chief Financial Officer	\$151,500
Jim Diotte	Chief Human Resources Officer	\$152,120
Gary Knee	VP, Research and Development	\$60,600



The foregoing indebtedness arises from participation in the following programs:

### **Stock Option Loan Program**

For the period from November 1 to November 8, 2006, the Corporation enabled its employees and executive officers to exercise their vested options and acquire Class B common shares in Redknee Inc. (which shares subsequently converted to common shares of the Corporation). The Corporation offered loans to all its existing employees and executive officers holding vested options based on their tenure and seniority in the Corporation ranging from \$26,000 to \$151,500. These loans are secured by the shares acquired. The loans are non-interest bearing and are repayable in three years or in proportion to any sale of shares by the employee. Employees and executives are eligible for a cash tenure-award bonus annually for a period of three years equal to 10% of the outstanding loan amount provided they remain an employee of the Corporation as of the anniversary date of the original loan.

### **Share Purchase Program**

For the period from November 1 to November 8, 2006, the Corporation enabled all of its employees to acquire up to 450,000 Class B common shares of Redknee Inc. (which shares subsequently converted to common shares of the Corporation) at a value of \$3.10 per share. Each employee was limited to a maximum purchase of 1,500 shares with a minimum purchase of 200 shares. As part of this program, employees were eligible for a loan to acquire the first 200 shares up to a maximum of \$620 per employee. These loans are unsecured, are repayable in two years and are non-interest bearing, which was extended by the Board for one year on October 16, 2008.

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

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities in an aggregate amount of \$15,000,000, subject to a \$100,000 deductible/loss payable by the Corporation for securities claims and a \$50,000 deductible/loss payable for all other claims, such deductibles/loss payables payable by the Corporation. The premium paid by the Corporation for this coverage was \$127,970 for the year ended September 30, 2008.

## **AUDIT COMMITTEE INFORMATION**

The Audit Committee has a formal charter and is comprised of three directors who are independent and financially literate (for education and experience, please refer to section "Nominees for Election to Board of Directors" above). The Audit Committee Charter sets out the mandate and responsibilities of the Audit Committee that the Board of Directors revised after consideration of National Instrument 52-110 respecting Audit Committees of the Canadian Securities Administrators and other applicable policies. Detailed information with respect to the Corporation's audit committee is contained under the heading "Audit Committee" in the Corporation's Annual Information Form for the financial year ended September 30, 2008 filed on SEDAR at [www.sedar.com](http://www.sedar.com).

## **INTEREST IN MATERIAL TRANSACTIONS**

No informed person, proposed nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed nominee has or had a material interest, direct or indirect, in any transaction since the beginning of fiscal 2008 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **AVAILABLE INFORMATION**

Financial information is provided in the Corporation's financial statements, Management's Discussion and Analysis (MD&A) for the year ended September 30, 2008. Shareholders of the Corporation may request copies of the Corporation's financial statements including MD&A therein, and Annual Report by contacting, Robert Minnes, General Counsel of the Corporation, in person, by mail, facsimile, or e-mail at: 2560 Matheson Blvd. East, First Floor, Mississauga, ON, Canada, L4W 4Y9, Tel 1-905-625-2833 Fax 1-905-625-2773, e-mail: [robert.minnes@redknee.com](mailto:robert.minnes@redknee.com). Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **SHAREHOLDER PROPOSALS**

Persons entitled to vote at the next annual meeting of the Corporation who wish to submit a proposal for consideration at the meeting, must submit their proposal to the Corporation by November 26, 2009.

## **DIRECTORS' APPROVAL**

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

DATED at Toronto, as of the 24<sup>th</sup> day of February, 2009.



**Lucas Skoczowski**  
*Chief Executive Officer*