



GLOBAL RAILWAY INDUSTRIES LTD.

**NOTICE AND
INFORMATION CIRCULAR**

**FOR THE ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

to be held at

The Fairmont Royal York Hotel

100 Front Street
Toronto, Ontario
M6J 1E3

on

**June 22, 2011
at 2:00 P.M. (ET)**

GLOBAL RAILWAY INDUSTRIES LTD.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 22, 2011

The annual general meeting ("Meeting") of the shareholders of Global Railway Industries Ltd. will be held at The Fairmont Royal York Hotel, 100 Front Street, Toronto, Ontario, M6J 1E3 on Wednesday, June 22, 2011 at 2:00 P.M. (ET) in order to:

1. consider financial statements for the fiscal year ended December 31, 2010;
2. elect the nominated Directors;
3. appoint the auditors and authorize the board of directors to fix the remuneration to be paid to the auditors; and
4. transact such other business as may properly be brought before the meeting or any adjournment.

The specific details of the matters proposed to be put before the Meeting are set forth in the Management Information Circular dated May 27, 2011 accompanying this notice.

If you are unable to attend the Meeting in person, date and sign the enclosed form of proxy and mail it to, or deposit it with, Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1. In order to be valid and acted upon at the Meeting, the forms of proxy must be received not less than 48 hours before the time for holding the Meeting (excluding Saturdays, Sundays and holidays) or any adjournment thereof.

Only shareholders of record at the close of business on May 18, 2011 will be entitled to receive notice of and to vote at the Meeting, unless that shareholder has transferred any of their shares subsequent to that date, and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and demands that the transferee's name be included on the list of shareholders.

DATED at Toronto, Ontario, this 27th day of May, 2011.

By order of the Board of Directors.

"signed"

Tom Dea

Chairman of the Board

GLOBAL RAILWAY INDUSTRIES LTD.

(the "Company")

Management Information Circular for the Annual General Meeting of Shareholders to be held on June 22, 2011

Dated May 27, 2011

PROXIES

Solicitation of Proxies

This management information circular is furnished in connection with the solicitation of proxies for use at the annual general meeting of shareholders (the "Meeting") to be held at The Fairmont Royal York Hotel, 100 Front Street, Toronto, Ontario, M6J 1E3, at 3:00 P.M. (ET) on Wednesday, June 22, 2011. Forms of proxy must be deposited with Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours before the time of the Meeting (excluding Saturdays, Sundays and holidays) or any adjournment thereof. Only holders of common shares (the "shareholders") of record at the close of business on May 18, 2011 will be entitled to receive notice of, and to vote at, the Meeting, unless that shareholder has transferred any of their shares subsequent to that date, and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and requests that the transferee's name be included on the list of shareholders.

The form appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an authorized officer or attorney of the corporation.

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE OFFICERS OR DIRECTORS OF THE COMPANY. AS A SHAREHOLDER YOU HAVE THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO REPRESENT YOU AT THE MEETING. TO EXERCISE THIS RIGHT YOU SHOULD INSERT THE NAME OF YOUR REPRESENTATIVE IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY AND STRIKE OUT THE OTHER NAMES OR SUBMIT ANOTHER APPROPRIATE PROXY.

Voting of Shares - Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to you if you do not hold your shares in your own name. Only proxies deposited by shareholders whose names appear on the records as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in your account statement provided by your broker, then in almost all cases those shares will not be registered in your name. Such shares will likely be registered

under the name of your broker. Without specific instructions, your broker is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Each broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions Canada ("BICS"). BICS mails a Voting Information Form ("VIF") instead of the form of proxy. You are asked to complete and return the VIF to them by mail or facsimile. Alternately, you can call their toll-free telephone number or use their internet voting procedure to vote your shares. If you receive a VIF from BICS, it cannot be used as a proxy to vote shares directly at the Meeting as the proxy must be returned to BICS in advance of the Meeting in order to have the shares voted.

Revocability of Proxy

You may revoke your proxy at any time prior to a vote. If you attend personally at the Meeting, you may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited either at the Company's head office, or with Computershare Investor Services, at any time up to and including the last business day before the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof. Beneficial shareholders who wish to revoke their proxy must arrange for their respective intermediaries/brokers to revoke the proxy on their behalf within the time specified by such intermediary/broker.

Persons Making the Solicitation

This solicitation is made on behalf of Management. The Company will bear the costs incurred in the preparation and mailing of the proxy materials. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by the directors, officers and employees who will not be remunerated for their services.

Exercise of Discretion by Proxy

Where you specify a choice with respect to any matter to be acted upon, the shares will be voted on any poll in accordance with the specification. If you do not provide instructions your shares will be voted in favour of the matters as set out in the form of proxy. The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments or variations of the matters specified and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of printing of this management information circular, Management is not aware of any amendments or variations.

Request for Financial Statements

National Instrument 51-102 *Continuous Disclosure Obligations* sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred redeemable shares, issuable in series. As at May 18, 2011, there were 15,247,400 common shares, and no preferred redeemable shares, issued and outstanding. As a shareholder, you are entitled to one vote for each share you own. A quorum for the transaction of business at the Meeting is shareholders representing 5% of the issued shares entitled to vote at the Meeting being present in person or by proxy, irrespective of the number of persons actually present.

To the best of the knowledge of the directors and senior officers of the Company as of the date hereof, the only persons, corporations or other entities no person, corporation or other entity (other than securities depositories) beneficially own, directly or indirectly, or exercise control or discretion over voting securities carrying more than 10% of the voting rights attached to the common shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements & Auditors' Report

The financial statements of the Company for the financial year ended December 31, 2010 and the auditors' report thereon, which were previously sent to the shareholders, will be given consideration at the Meeting. No vote by the shareholders with respect to this matter will be required.

Election of Directors

It is proposed that four directors will be elected, to hold office until the next annual meeting or until successors are elected or appointed. There are currently four directors, each of whom will retire from office at the close of the Meeting unless re-elected at the Meeting. Unless otherwise directed, it is the intention of Management to vote proxies in favour of the nominees.

In the event that a vacancy occurs because of death, or for any reason, prior to the Meeting, the proxy shall not be voted with respect to the filling of the vacancy.

The following individuals are the nominees proposed for election to the Board:

Name and residence	Voting shares	Offices held and time as director	Principal occupation
Thomas Dea ⁽¹⁾ Ontario, Canada	1,305,100	Chairman of the Board. Director since May 2009.	Partner at West Face Capital Inc.
Laurie Bennett, CA ⁽¹⁾ Ontario, Canada	Nil	Director since May 2009.	Retired Chartered Accountant
Jacques Coté ⁽¹⁾ Quebec, Canada	Nil	Director since May 2009.	Retired railroad executive.
Alan Sellery Ontario, Canada	Nil	Director since May 2009.	Partner at Ironbridge Equity Partners Limited.

The information as to voting securities beneficially owned, directly or indirectly or controlled or directed, is based upon information furnished by the nominees.

Note:

(1) Member of the Audit Committee

During the past five years, all of the directors whose names appear above have held the positions shown or held management responsibilities in the same or related companies.

None of the proposed directors:

- a) is, as at the date of this 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,
 - i. was the subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or
 - ii. was the subject to an order that was issued after the proposed director ceased to a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,
- b) is, as at the date of this information circular, or has been, within 10 years before the date of this information circular, a director, 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, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, or 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 became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

It is the intention of the Management designees, if named as proxy, to vote in favour of the election of the nominees to the board of directors unless otherwise directed.

Appointment of Auditors

Management is proposing that the shareholders appoint the firm of KPMG LLP, Chartered Accountants, as auditors, to hold office until the next annual meeting of shareholders or until their successor is appointed, and authorize the directors to fix their remuneration. KPMG LLP has been the auditors of the Company since December 2003.

It is the intention of the Management designees, if named as proxy, to vote in favour of the appointment of KPMG LLP, Chartered Accountants, as the auditors for the ensuing year and to authorize the board of directors to fix their remuneration unless otherwise directed.

Other Matters

The Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matter properly comes before the Meeting, however, the proxies will be voted on such matter in accordance with the best judgment of the person or persons voting the proxies.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Board of Directors is responsible for reviewing and approving the Company's employee and executive compensation policies and practices, incentive compensation plans (cash and equity-based incentive plans), the amount and form of compensation of the executive officers of the Company, and all appointments of employees as executive officers. None of the members of the Board of Directors has ever been indebted to the Company. In addition, no executive officer of the Company has served on the Board of Directors, of any other entity that has had one or more of the executive officers of such entity serve as a member the Company's Board of Directors or Compensation Committee.

The Company's overall policy regarding compensation of the Company's executive officers is structured to provide competitive salary levels and compensation incentives that support both the short-term and long-term goals of the Company, attract and retain suitable and qualified executive management, and establish a compensation framework which is industry competitive. The Company aims to place its executive compensation within the middle range of compensation levels among leading Canadian and United States railway supply companies of similar size and complexity.

The compensation program consists of i) base salary, ii) annual performance incentives and iii) stock options. Given the corporate restructuring the existing compensation program is currently not applied and is subject to full review by the board.

Mr. Tremblay received an annual performance incentive of \$10,000 during 2010, with no performance incentive bonuses paid to other Named Executive Officers for the year ended December 31, 2010. CAD Railway Industries Ltd. ("CADRI") accrued total performance incentive bonuses of \$85,000 during 2010, for key employees including the amount paid to Mr. Tremblay. \$75,000 remained unpaid at December 31, 2010.

Compensation of Named Executive Officers

The following table sets forth all compensation earned for the three most recently completed financial years ended December 31, 2010 by Fausto Levy, President & Chief Executive Officer; Ross Corcoran, Vice President & Chief Financial Officer; Brian McMullan, Vice President; Lucie Dastous, Executive Vice President; and Pierre Tremblay, Senior Vice President, Operations; and, (collectively, the "Named Executive Officers" ("NEO"), as determined by section 3.1 of National Instrument 51-102F6).

SUMMARY COMPENSATION TABLE:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Options-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Fausto Levy ⁽¹⁾⁽²⁾⁽³⁾ , President and CEO	2010	\$298,970	Nil	Nil	Nil	Nil	Nil	\$308,653 ^(Paid)	\$894,277
	2009	\$256,838	Nil	Nil	Nil	Nil	Nil	\$283,654 ^(Accrued)	\$256,838
	2008	\$213,420	Nil	Nil	\$52,661	Nil	Nil	Nil	\$266,081
Terry McManaman ⁽¹⁾⁽⁴⁾ , Chief Executive Officer	2010	\$66,362	Nil	Nil	Nil	Nil	Nil	\$594,265	\$660,627
	2009	\$285,375	Nil	Nil	Nil	Nil	\$11,187	\$83,590	\$380,152
	2008	\$266,775	Nil	Nil	\$75,530	Nil	\$12,576	\$74,830	\$429,711
Ross Corcoran ⁽⁵⁾ , Vice President Finance & CFO	2010	\$139,596	Nil	Nil	Nil	Nil	Nil	Nil	\$139,596
	2009	\$18,173	Nil	Nil	Nil	Nil	Nil	Nil	\$18,173
Brian McMullan ⁽¹⁾⁽⁶⁾ , Vice President	2010	\$108,015	Nil	\$20,000	Nil	Nil	Nil	\$279,328	\$407,343
	2009	\$186,635	Nil	Nil	Nil	Nil	Nil	Nil	\$186,635
	2008	\$178,932	Nil	\$104,871	\$39,518	Nil	Nil	Nil	\$323,322
Lucie Dastous ⁽⁷⁾ , Executive Vice President	2010	\$169,725	Nil	Nil	Nil	Nil	Nil	Nil	\$169,725
	2009	\$151,725	Nil	Nil	Nil	Nil	Nil	Nil	\$151,725
	2008	\$105,000	Nil	Nil	Nil	Nil	Nil	Nil	\$105,000
Pierre Tremblay ⁽⁸⁾ , Senior Vice President	2010	\$147,116	Nil	Nil	\$10,000	Nil	Nil	Nil	\$157,116
	2009	\$150,000	Nil	Nil	\$15,000	Nil	Nil	Nil	\$165,000
	2008	\$131,250	Nil	Nil	Nil	Nil	Nil	Nil	\$131,250

Notes to Summary Compensation Table:

- (1) The Named Executive Officers' salary, annual incentive, pension and other compensation was paid in US dollars except as otherwise indicated. For the purposes of this summary table, the 2010 amounts have been converted to Canadian dollars using the average exchange rate for 2010 C\$1.0301 per US dollar. During 2010 Mr McMullan was paid in CDN dollars
- (2) Fausto Levy is President of CAD Railway Industries Ltd. and retained as President and Chief Executive Officer of Global Railway Industries July 2010 under a service agreement with FTM Resources Inc. This agreement outlines Mr. Levy's role and responsibilities with respect to the operations of CADRI and Global. A monthly work fee for his services and an initial stock option entitlement are provided. The Company has used the terms and conditions of the agreement for the purpose of disclosure under National Instrument 51-102F6. . Mr Levy's services have been maintained under the existing services agreement on an interim basis.
- (3) During 2010 Mr Levy Other compensation includes payment of a Special Bonus of \$25,000 on completion of the G&B and Bach sale transactions and a retention/restructuring payment of \$566,556 of which \$283,278 was paid during 2010. The remaining balance was accrued and remains unpaid as at December 31, 2010. US dollars – converted to CDN using the average exchange rate for 2010 C\$1.0301 per US dollar.
- (4) Terry McManaman was appointed President and CEO on October 4, 2005. Mr. McManaman was appointed Chairman of the Board on May 15, 2007 and resigned July 2010. During 2010, Mr McManaman was provided with a severance payment of \$566,556 and a reimbursement of \$26,899 for relocation expenses..
- (5) Ross Corcoran was appointed Vice President of CADRI, November 2009, Chief Financial Officer of the Corporation, July 2010 and Vice President & Secretary of the Corporation March 2011.
- (6) Brian McMullan was appointed Chief Financial Officer on April 2, 2007 and resigned as Chief Financial Officer July 2010 whereupon he was retained on an interim basis as a Vice President of Global Railway Industries Ltd. under a services agreement. Mr McMullan resigned as Vice President February 2011.
- (7) Lucie Dastous joined CAD Railway Industries Ltd. April 2008 and is retained as Executive Vice President of CAD Railway Industries Ltd. under a services agreement. This services agreement outlines Ms Dastous' responsibilities with respect to the operation of CADRI, a monthly work fee is paid for her services,
- (8) Pierre Tremblay joined CAD Railway Industries Ltd November 2007.

Employment Agreements – Termination Benefits

The following table summarizes the material terms of the termination benefits contained in the employment agreement the Corporation has with Pierre Tremblay, a Named Executive Officer:

Component	Terms within the employment agreement
Severance period and payment	The severance payment period is specified in the NEO's employment contract. Upon termination, a Named Executive Officer receives a lump sum severance payment equal to the Named Executive's monthly salary times their contractual number of months severance.
Incentive bonus	Upon termination, a minimum amount equal to the average amount of incentive bonus earned by the NEO during the two preceding fiscal years is payable.
Stock options	Upon termination, any stock option rights held by a Named Executive Officer, under contract, are governed in accordance with the Company's Stock Option Plan.
Benefits	Upon termination, a Named Executive Officer, under contract, receives compensation in lieu of benefits, based upon a stated percentage of salary, for the duration of the severance period.
Notice period	Upon resignation, a Named Executive Officer, under contract, must provide the Company with three months advance written notice. The Company has the election of requiring the Name Executive Officer to leave prior to the resignation date.
Job relocation counselling	Upon termination, a Named Executive Officer, under contract, receives job relocation counselling up to a stated dollar maximum amount.
Non-disclosure, non-competition and intellectual property	Each of the employment agreements with the Named Executive Officer contains provisions dealing with non-disclosure, non-competition and intellectual property assignments.

Termination Benefits

The following table details, for the Named Executive Officer, estimates payments payable and/or benefits triggered by a resignation, a termination with cause, a termination without cause or a termination due to a change in control for the only Named Executive Officer with termination benefits.

Pierre Tremblay Senior Vice President	Resignation	Termination with cause	Termination without cause	Termination due to change in control (1)
Severance period in months	Nil	Nil	12	12
Salary ⁽⁴⁾	Nil	Nil	\$150,000	\$150,000
Bonus	Nil	Nil	Nil	Nil
Benefits ⁽⁴⁾	Nil	Nil	Nil	Nil
Stock Options ^{(2) (3)}	Nil	Nil	Nil	Nil
Job relocation counselling	Nil	Nil	Nil	Nil
Total	Nil	Nil	\$150,000	\$150,000

Notes:

- (1) The Company implemented a "change of control" policy in 2007. Under this policy, change of control is defined as:
- any change in the registered holdings and/or beneficial ownership of the issued and outstanding common shares of the Company which result in a person, or group of persons acting jointly, holding, owing or controlling, directly or indirectly, in excess of 50% of the issued and outstanding common shares of the Company; or
 - the sale, lease or transfer of all or substantially all of the Company's assets to any other person or persons.

In the event of a change of control, all outstanding options immediately vest, and the Named Executive Officer is entitled to exercise any unexercised options within specified time limits, or receive the cash value of the affected options as determined by using the Black-Scholes Pricing Model.

- (2) In the event that a Named Executive Officer resigns from the Company, or is terminated by the Company without cause, the Named Executive Officer has the right during the 90 day period following the date of the termination notice to: (a) exercise all vested and unexercised options, or (b) receive the cash value of all vested and unexercised options as determined using the Black-Scholes Pricing Model. In the event that a Named Executive Officer is terminated for cause, the Named Executive forfeits their rights in respect of any unexercised options.

Termination benefits were paid to Terry McManaman, Chief Executive Officer and Brian McMullan, Chief Financial Officer of \$594,265 and \$279,328, respectively, under employment contracts in effect with Global Railway Industries

Incentive Plan Awards - Outstanding options-based and share-based awards

The Company did not award any stock options and no share or option based awards were outstanding to any of the Named Executive Officers at the end of 2010.

The following table sets out the option-based and share-based incentive awards outstanding at December 31, 2010 for Named Executive Officers:

Name	Options-based awards				Share-based awards	
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (1) (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Fausto Levy, President & CEO	210,000	\$4.35	November 2014	Nil	Nil	Nil
Terry McManaman Chief Executive Officer	Nil	Nil	Nil	Nil	Nil	Nil
Ross Corcoran Vice President Finance & CFO	Nil	Nil	Nil	Nil	Nil	Nil
Brian McMullan Vice President	Nil	Nil	Nil	Nil	Nil	Nil
Lucie Dastous Executive Vice President	Nil	Nil	Nil	Nil	Nil	Nil
Pierre Tremblay, Senior Vice President	25,000 17,500	\$4.35 \$0.72	November 2012 December 2013	Nil \$4,200	Nil Nil	Nil Nil

Note:

- (1) The value of unexercised in-the-money options at year-end is based on the closing price of the common shares on the Toronto Stock Exchange on December 31, 2010, which was \$1.22 per share. "In-the-money" means that the market value of the common shares underlying the options on that date exceeded the option exercise price.

Incentive Plan Awards – value vested earned during the year

There were no incentive plan awards vested or earned during 2010 by Named Executive Officers.

Pension Plan Benefits

Amounts of the potential benefits from the Company match for the Named Executive Officers are included in the "Pension value" column in the "Summary Compensation Table" above, if applicable. None of the foregoing constitutes a defined benefit program and no pension benefits were awarded in 2010.

Directors' Compensation

Members of the Board of Directors, who are not officers of the Company, are remunerated for services rendered in their capacity as directors by way of a combination of retainer fees and meeting attendance fees. Compensation is structured to provide competitive levels of total compensation and to attract and retain suitable and qualified directors with commitment to the Company.

The following table reflects the current board fee structure and assumes membership on the board for an entire one year term. The Directors' Remuneration did not increase during 2010.

	Chair retainer	Member retainer	Per meeting fee
Board of Directors ^{(1) (2)}	Nil	\$12,361	\$773
Audit Committee ⁽³⁾	\$16,224	n/a	\$773

Notes:

- (1) The board member retainers, meeting fees and Committee fees are payable in US dollars. For the purposes of this summary table, these amounts have been converted to Canadian dollars using the average 2010 exchange rate of CDN \$1.0301 per US dollar.
- (2) The Special Committee was disbanded in November 2010. The responsibilities of the Special Committee are now those of the Board.
- (3) Members of the Audit Committee at December 31, 2010 were Laurie Bennett (Chairman), Thomas Dea and Jacques Coté. The Audit Committee Chairman receives the Chair retainer.

The following table sets forth all compensation earned for the fiscal year ended December 31, 2010 by members of the Company's Board of Directors.

Name	Fees Earned (\$) ⁽¹⁾	Share based awards (\$)	Option based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) ⁽⁷⁾	Total compensation (\$)
Laurie Bennett ⁽²⁾	\$24,735	Nil	Nil	Nil	Nil	Nil	\$24,735
Jacques Coté ⁽³⁾	\$27,117	Nil	Nil	Nil	Nil	\$25,000	\$52,117
Jean Clerk ⁽⁴⁾	\$8,566	Nil	Nil	Nil	Nil	Nil	\$8,566
Thomas Dea ⁽⁵⁾	\$25,569	Nil	Nil	Nil	Nil	\$50,000	\$75,569
Alan Sellery ⁽⁶⁾	\$24,803	Nil	Nil	Nil	Nil	\$25,000	\$49,803

Notes to Directors' compensation:

- (1) The board member retainers and meeting fees are payable in US dollars. For the purposes of this summary table, these amounts have been converted to Canadian dollars using the average 2010 exchange rate of CDN \$1.0301 per US dollar.
- (2) Mr. Bennett joined the board in May 2009 and Chairs the Company's Audit Committee.
- (3) Mr. Coté joined the board in May 2009.
- (4) Mr. Clerk resigned from the board May 2010.
- (5) Mr. Dea joined the board in May 2009 and is Chairman of the Board.
- (6) Mr. Sellery joined the board in May 2009.
- (7) Other compensation represents a special bonus paid to members of the Special Committee on completion of the G&B and Bach sale transactions.

Directors are reimbursed for travel and other out of pocket expenses incurred in attending board or committee meetings, and for reasonable expenses incurred while on business relating to the Company.

In considering and setting the appropriate level of compensation for directors, the Board takes into account the compensation paid to directors of other railway supply companies and public companies of a size similar to the Company.

In 2008, the Board reduced the compensation payable to its directors in light of the financial condition of the Company at that time. As a consequence, the Board has in the past approved, and from time to time in the future may approve, additional fees for directors to recognize extraordinary service, effort or results achieved. In 2010, the Board approved additional fees that were paid to Mr. Dea, as Chair of the Special Committee, and Mr. Sellery and Mr. Cote, as members of the Special Committee, upon completion of the sale of Bach-Simpson and GBI Specialties to Wabtec.

Incentive plan awards - Outstanding share-based awards and options-based awards

The Company has not awarded any stock options to its directors since 2008. None of the directors held any stock options as at December 31, 2010.

Attendance

The following table sets out the attendance of 2010 Board and various Committee meetings by each of the Company's Board members:

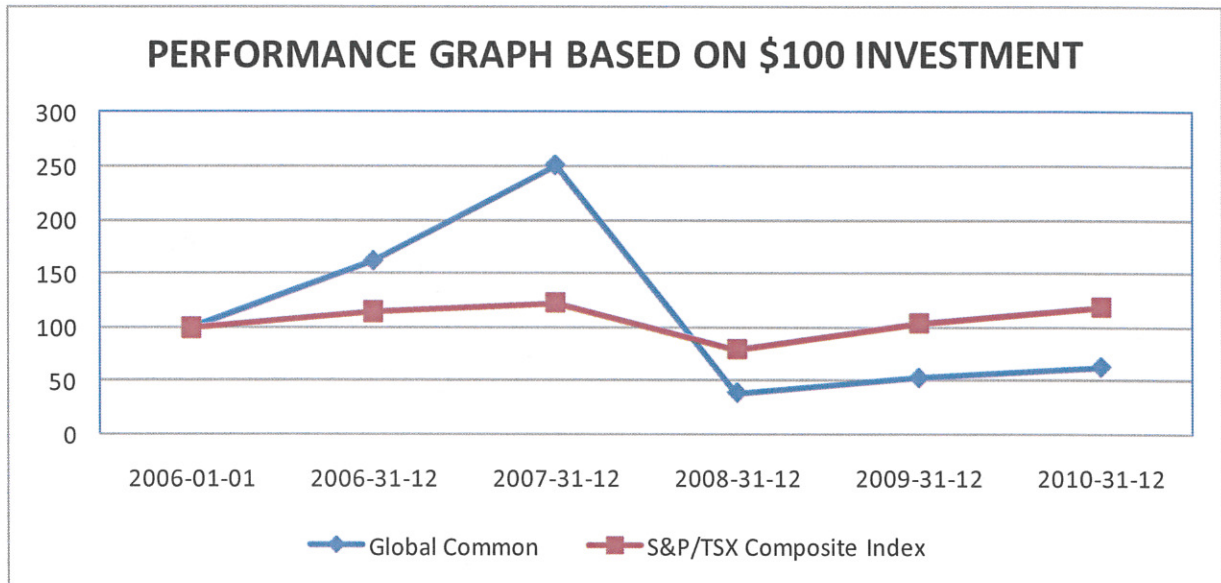
	Attended / Total Meetings in 2010
Thomas Dea	17 / 19
Laurie Bennett	11 / 11
Jacques Coté	19 / 21
Jean Clerk (1)	5 / 5
Alan Sellery	16 / 17

During 2010 the Special Committee was merged with the Board and all Board statistics are consolidated.

- (1) Mr. Clerk resigned from the board May 2010

PERFORMANCE GRAPH

The following graph illustrates the Company's shareholder return on a yearly basis assuming an initial investment of \$100 on January 1, 2006, compared to the S&P/TSX Composite Index, for the comparable period.



\$100 Investment as of December 31	January 1, 2006	Dec 31, 2006	Dec 31, 2007	Dec 31, 2008	Dec 31, 2009	Dec 31, 2010
Global Railway Industries Ltd	100	162	251	38	52	63
S&P/TSX Composite Index	100	115	123	80	104	119

The two CEO's and two CFO's, covered by the period of this report, had combined compensation, excluding severance, retention/restructuring and accrual amounts for salary and bonuses for the 2010 compensation would have been \$660,943, representing a decrease of \$180,908, or 21%. Executive salaries fell between 2008 and 2010 over the period covered by the Performance Graph, although Global did not previously have the same corporate structure prior to 2008. 2009 compensation was down \$177,316 over 2008, or 17% excluding all other compensation. Due to company retention/restructuring the total 2010 salary compensation for the Company's two CEO's and two CFO's, including severance was \$2,101,843 representing an increase of \$1,260,045, or 150%, compared to 2009 due exclusively to the one time severance and retention/restructuring payments.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Stock Option Plan is the only equity compensation plan. The following table sets forth information with respect to the options outstanding under the Plan as at December 31, 2010:

Plan category	Number of common shares to be issued upon exercise of outstanding options (% of entitled to be issued under stock option plan)	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (% of entitled to be issued under stock option plan)
Equity compensation plans approved by security holders	277,500 (18.2%)	\$4.12	1,247,240 (81.8%)
Equity compensation plans not approved by security holders	Nil	Nil	Nil
	277,500	\$4.12	1,247,240

STOCK OPTION PLAN

The Company's current plan is for the benefit of employees, directors, executive officers and service providers to encourage them to acquire common shares of the Company, thereby aligning their interests with the shareholders of the Company. Options are exercisable at the market value of the Company's shares on the date of grant. Under the current plan, if a participant ceases employment or being a director, executive officer or service provider, the participant may exercise his or her options within 90 days of the date of termination of employment, directorship or contract. If the participant's employment has been terminated for cause, the options expire immediately. In the event of death, the options may be exercised on the earlier of the option's expiry time or one year from the date of death. In the event of retirement or permanent disability, the options may be exercised on the earlier of the option's expiry time or one year from the date retirement or permanent disability, subject to such shorter period as may be otherwise specified in a stock option agreement. The options are not transferable or assignable unless permitted by the TSX. The Board could amend or discontinue the current plan at any time without the consent of the participants, provided that such amendment shall not alter or impair any option previously granted under the plan, however each amendment is required to be approved by the TSX and, where necessary, the shareholders.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Management is not aware of any indebtedness (other than routine indebtedness) outstanding by any of the directors, executive officers or any of their associates, or any guarantees, support agreements, letters of credit or similar arrangements provided by the Company or any subsidiaries, to these individuals, at any time since the commencement of the last completed financial year.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any director or executive officer of the Company, any insiders of the Company, any proposed nominee for election as a director, or any associate or affiliate of such persons, in any transaction since the beginning of the last completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of the subsidiaries, except as disclosed elsewhere in this management information circular, or in the Company's audited annual consolidated financial statements and management's discussion and analysis for the year ended December 31, 2010.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, of any proposed nominee for election as a director, or of any associates or affiliates of any of these individuals, in any matter to be acted on at the Meeting.

ADDITIONAL INFORMATION

Additional financial information regarding the Company's business is contained in the audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2010. These statements and all the continuous disclosure documents submitted to the applicable securities commissions and Toronto Stock Exchange can be found on SEDAR at www.sedar.com. Shareholders may request a copy of the financial statements and management's discussion and analysis from the Company's Administrative Office by mail at 155 Montreal-Toronto Blvd, Lachine, Quebec, H8S 1B4 by phone at (514) 643-3139, or by fax at (514) 634-3932.

CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 *Corporate Governance Guidelines* provides guidance on corporate governance practices. These guidelines, while not mandatory, deal with the constitution of boards of directors and board committees, their functions, their independence from management, and other means of addressing corporate governance practices. National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") mandates that all issuers must disclose, on an annual basis, its approach to corporate governance with reference to the form prescribed by NI 58-101. Disclosure of the Company's corporate governance practices, in Form 58-101F1, is set forth below.

BOARD OF DIRECTORS

The information set forth below is a summary of those corporate governance practices.

1. Board of Directors

Independence

Board is Majority Independent

In determining a director's independence Global refers to the National Instruments and, in particular, the "Meaning of Independence" set forth in National Instrument 52-110 – Audit Committees. Based on a review of the National Instrument, Global has determined that:

- the Board is currently independent with the four directors classified as independent directors pursuant to NI 58-101 and MI 52-110;
- the Board will remain majority independent following the election of directors at the Meeting;
- None of the current directors have been employees or executive officers within the last three years;
- Other than Mr. Bennett, who is a director of Exco Technologies Limited, none of the directors are currently directors of any other reporting issuer (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction.
- The Board meets at least every quarter for a formal board meeting. Depending on the level of activity of the Company, the Board will meet on an ad hoc basis as necessary to provide input and guidance to Management.

In-Camera Sessions

In-camera sessions are regularly held by the Independent Directors

In-camera sessions of the Independent Directors are set for all regularly scheduled, in-person and conference call board meetings. During 2010, the Independent Directors held in-camera sessions, as required, at all seven regularly scheduled board meetings. The in-camera sessions are typically led by the committee chairs, with the duration and agenda topics being at the discretion of the Independent Directors to ensure that all necessary issues are addressed. These in-camera sessions provided an effective forum for open discussions with respect to the management and business of Global.

In addition, the Audit Committee, comprised solely of the Independent Directors, conducts individual, in-camera executive sessions with each of the external auditors meeting. During 2010, the Audit Committee held four such in-camera sessions. These sessions are led by the Audit Committee Chairman and provide an opportunity for the Independent Directors to review the audit process on an individual basis with the Chairman and Chief Executive on any matter that the Audit Committee considers appropriate.

Additional meetings of the Independent Directors may be held from time to time if required. No additional meetings were held during 2010.

Meeting Attendance

In 2010, Board Attendance averages 94% and Committee Attendance was 83%

The Board held seven regularly scheduled meetings called to address specific business matters. A comprehensive meeting package was provided to all directors and committee members in advance of the meetings.

2. Board Mandate

The full text of the Board's written terms of reference /mandate is attached as Schedule "A" to this Information Circular. The Board has complied with its mandate.

Due to the reduced size of the Board, the responsibilities of the Corporate Governance and Compensation committees continue to be assumed directly by the Board.

3. Position Descriptions

A board manual (the "**Board Manual**") has been developed which includes position descriptions for the Chairman of the Board and Chief Executive Officer and the Chief Financial Officer.

Written mandates have been put in place setting forth the specific roles and responsibilities for the Board, each of its committees and the individual directors.

The written mandate for each committee requires that the committee be comprised of at least three members, all of whom are "independent" for the purposes of any applicable corporate, securities or other legislation.

NOMINATION OF DIRECTORS

Candidates for Board of Director positions are submitted to the Board by the executive and existing Board members for evaluation. The Board seeks to ensure that there is a competent range of skills, expertise and experience in the Board membership so it may carry out its responsibilities. The Board also, on an annual basis, reviews the size of the Board and on a periodic basis undertakes an evaluation of the effectiveness of the Board as a whole.

AUDIT COMMITTEE

The Audit Committee is composed of three independent directors, including Mr. Bennett, Mr. Dea and Mr. Coté. For more information on the mandate of the Audit Committee of the Company, as required pursuant to National Instrument 52-110 *Audit Committees*, please refer to the heading "Audit Committee" in the Company's Annual Information Form for the year ended December 31, 2010 dated March 30, 2011, a copy of which has been filed on SEDAR at www.sedar.com.

ORIENTATION AND CONTINUING EDUCATION

The Board is responsible to ensure that there is in place an education and orientation program for new members of the Board, to ensure new Board members are provided with a Board manual, and to ensure a continuing education program for all directors is in place. The Board manual provided to new directors includes the Board mandate, Committee Charters, and the policies of the Company. Policy additions, updates and reviews are conducted on a continuing basis, providing directors with a current knowledge of the policies of the Company. As necessary, formal education on the continuing advances in corporate governance and directors responsibilities are held internally for new and continuing directors. In addition to the internal programs provided, directors are encouraged to attend external education programs to enhance their development as a member of the Board.

ETHICAL BUSINESS CONDUCT

The Board has written policies outlining business conduct, disclosure and confidentiality, and share trading. The Business Conduct Policy sets out the minimum standards of behaviour required by all employees in conducting the business affairs of the Company. The Disclosure and Confidentiality Policy ensures communications to the investing public about the Company are timely, factual and accurate. The policy addresses guidelines for dissemination of information in accordance with all legal and regulatory requirements. The Company's Insider Trading Policy prescribes rules for restricted persons and employees with respect to trading in securities of the Company by individuals when there is undisclosed material information or pending material developments with respect to the Company. A copy of any of the aforementioned policies can be obtained by contacting the Company's Administrative Office by mail at 155 Montreal-Toronto Blvd, Lachine, Quebec, or by phone at (514) 634-3139, or by fax at (514) 634-3932.

Conflicts of interest are disclosed in accordance with the *Business Corporations Act* (Alberta) and any director with a conflict must abstain from voting. The Audit Committee has adopted a "whistle-blower" policy and a confidential procedure for reviewing expressions of concern which is designed to ensure a culture of ethical business conduct.

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SCHEDULE "A"

GLOBAL RAILWAY INDUSTRIES LTD. ("the Company")

Board of Directors Mandate

December 14, 2006

PURPOSE

The Board of Directors (the "Board") has the responsibility for the overall stewardship of the conduct of the business of the Company and the activities of Management, which is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Company meets its obligations on an ongoing basis and that the Company operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in the Company. In overseeing the conduct of the business, the Board, through the Chief Executive Officer, shall set the standards of conduct for the Company.

PROCEDURES AND ORGANIZATION

The Board operates by delegating certain of its authorities to Management and by reserving certain powers to itself. The Board retains the responsibility for managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the Board and determining director compensation. Subject to the Articles and By-Laws of the Company and the *Business Corporations Act* (Alberta) (the "Act"), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

DUTIES AND RESPONSIBILITIES

The Board's principal duties and responsibilities fall into a number of categories which are outlined below:

1. Legal Requirements

The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained;

2. The Board has the statutory responsibility to:
 - a. manage the business and affairs of the Company;
 - b. act honestly and in good faith with a view to the best interests of the Company;
 - c. exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
 - d. act in accordance with its obligations contained in the *Business Corporations Act* (Alberta), (the "Act"), and the regulations thereto, the Company's Articles and By-Laws, securities legislation of each province and territory of Canada, and other relevant legislation and regulations;

3. The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to Management or to a committee of the Board:
 - a. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - b. the filling of a vacancy among the directors or in the office of auditor;
 - c. the issuance of securities;
 - d. the declaration of dividends;
 - e. the purchase, redemption or any other form of acquisition of shares issued by the Company;
 - f. the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - g. the approval of management proxy circulars;
 - h. the approval of any take-over bid circular or directors' circular;
 - i. the approval of financial statements of the Company; and
 - j. the adoption, amendment or repeal of By-Laws of the Company.

INDEPENDENCE

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of Management.

STRATEGY DETERMINATION

On an annual basis, the Board has the responsibility to ensure there are written long-term goals, a written strategic planning process and a written succession plan in place for the Company and to participate with Management directly or through its committees in developing and approving the mission of the business of the Company and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of the Company's business.

MANAGING RISK

The Board has the responsibility to understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.

DIVISION OF RESPONSIBILITIES

The Board has the responsibility to:

- a. appoint and delegate responsibilities to committees where appropriate to do so; and
- b. develop position descriptions for:
 - i. the Board
 - ii. the Chairman of the Board;
 - iii. the Chief Executive Officer;
 - iv. the Chief Financial Officer;
 - v. The Chief Operating Officer and
 - vi. any other position description the Board deems appropriate, as determined by the Board, acting in the best interests of the shareholders.

APPOINTMENT, TRAINING AND MONITORING OF SENIOR MANAGEMENT

The Board has the responsibility:

- a. to appoint the Chief Executive Officer, to monitor and assess the Chief Executive Officer's performance, to determine the Chief Executive Officer's compensation, and to provide advice and counsel in the execution of the Chief Executive Officer's duties;
- b. to approve the appointment and remuneration of all corporate officers, acting upon the advice of the Chief Executive Officer;
- c. to ensure that adequate provision has been made to train and develop Management and for the orderly succession of Management; and
- d. to ensure that Management is aware of the Board's expectations of Management.

POLICIES, PROCEDURES AND COMPLIANCE

The Board has the responsibility:

- a. to ensure that the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- b. to approve and monitor compliance with significant policies and procedures by which the Company is operated;
- c. to ensure the Company sets high environmental standards in its operations and is in compliance with environmental laws and legislation; and
- d. to ensure the Company has in place appropriate programs and policies for the health and safety of its employees in the workplace.

REPORTING AND COMMUNICATION

The Board has the responsibility:

- a. to ensure the Company has in place policies and programs to enable the Company to communicate effectively with its shareholders, other stakeholders and the public generally;
- b. to ensure that the financial performance of the Company is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- c. to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;

The Board has the responsibility: (Continued)

- d. to ensure the timely reporting of any other developments that have a significant and material impact on the value of the Company;
- e. to report annually to shareholders on its stewardship of the affairs of the Company for the preceding year; and
- f. to develop appropriate measures for receiving shareholder feedback.

MONITORING AND ACTING

The Board has the responsibility:

- a. to ensure the Company has a properly designed system of internal control over financial reporting;
- b. to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through Management in response to changing circumstances;
- c. to take action when performance falls short of its goals and objectives or when other special circumstances warrant;
- d. to ensure that the Company has implemented adequate control and information systems which ensure the effective discharge of its responsibilities; and
- e. to make regular assessments of the Board's effectiveness.