

VoodooVox Inc.

100 Consilium Place, Suite 200
Toronto, Ontario M1H 3E3

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of the Shareholders (the "**Meeting**") of VoodooVox Inc. ("**VoodooVox**" or the "**Corporation**") will be held at the offices of WeirFoulds LLP, TD Bank Tower, 66 Wellington Street West, Suite 4100, Mason Room, Toronto, Ontario, M5K 1B7, at 10:00 a.m. (Toronto Time) on Friday, June 14, 2013 for the following purposes:

1. to receive the consolidated financial statements of the Corporation as at and for the year ended December 31, 2012 and the auditors' report thereon;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint auditors for the ensuing year and authorize the Board of Directors to fix the remuneration of the auditors;
4. to consider and, if thought advisable, pass, with or without variation, an ordinary resolution approving and authorizing the conversion of various series of an aggregate of up to \$12,415,439 in convertible and non-convertible secured debentures (previously issued by the Corporation) and including up to all accrued and unpaid interest thereon at a the volume weighted average market price of the common shares in the capital of the Corporation ("**Common Shares**") prior to the time of conversion (and in any event, no greater than \$0.01 per Common Share), and the corresponding reduction in the conversion price of the convertible debentures and the termination and repayment of the non-convertible debentures through the issuance of Common Shares in satisfaction of such debt obligations, all as further set out in the Circular (as defined below);
5. to consider and, if thought advisable, pass, with or without variation, a special resolution to consolidate the share capital of the Corporation on the basis of fifty (50) existing Common Shares for one (1) new Common Share, or such greater or lower conversion ratio as the board of directors of the Corporation may determine, at its sole discretion, all as further set out in the Circular; and
6. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

Information relating to items 2, 3, 4 and 5 above is set out in the accompanying Management Proxy Circular, dated as of May 13, 2013 (the "**Circular**").

A shareholder may attend the Meeting in person or may be represented by a proxyholder. Shareholders who are unable to attend the Meeting in person are asked to date, sign and return the accompanying Instrument of Proxy, or other appropriate form of proxy, in accordance with the instructions set out in the accompanying Management Proxy Circular. **A proxy will not be valid unless it is deposited at the offices of Computershare Trust Company of Canada (by mail or courier, at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department; or by facsimile at 416-263-9524 or 1-866-249-7775), at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment thereof. A person appointed as proxyholder need not be a shareholder of the Corporation.**

Only persons who were registered as holders of Common Shares on the records of the Corporation as of the close of business on May 10, 2013 are entitled to receive notice of the Meeting.

Registered VoodooVox shareholders are those persons named as owners of VoodooVox Common Shares on the register of shareholders maintained by VoodooVox's registrar and transfer agent (the "**Register of Shareholders**"). A significant number of persons who beneficially own VoodooVox shares hold those shares in a brokerage account or through some other intermediary. In almost all cases, a person whose VoodooVox shares are held through a broker (or other intermediary) will not appear as the registered holder of such VoodooVox shares on the Register of Shareholders. Non-registered VoodooVox shareholders (i.e., persons whose VoodooVox shares are not held in their own name) do not have the same legal rights as registered VoodooVox shareholders in respect of shareholder meetings (including the right to vote directly at shareholder meetings and to appoint a proxyholder), and non-registered VoodooVox shareholders are required to act indirectly through their broker (or other intermediary) in order to have their VoodooVox shares voted at shareholder meetings. Non-registered VoodooVox shareholders should refer to the information set out under the heading "Voting of Common Shares -- Advice to Nonregistered Holders of Common Shares" in the accompanying Management Proxy Circular.

DATED at Toronto, Ontario as of May 13, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

"George Cooney"

George Cooney
Chief Executive Officer



**Annual and Special Meeting of Shareholders
to be held on Friday, June 14, 2013**

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This Management Proxy Circular (the "Information Circular") is furnished in connection with the solicitation by the management of VoodooVox Inc. ("VoodooVox" or the "Corporation") of proxies to be used at the Annual and Special Meeting (the "Meeting") of the shareholders of the Corporation (the "Shareholders"), which is to be held at the time and place and for the purposes set out in the accompanying Notice of Meeting and in this Information Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile, email or oral communication by the directors, officers and employees of the Corporation, at no additional compensation. The cost of the solicitation of proxies will be borne by the Corporation.

Unless otherwise specified, information contained in this Circular is given as of May 13, 2013 and, unless otherwise specified, all amounts shown represent Canadian dollars.

Forward Looking Statements And Disclaimer

Certain information set out in this Information Circular constitutes forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "hope", "plan", "continue", "estimate", "expect", "may", "will", "intend", "could", "might", "should", "scheduled", "believe" and similar expressions. The forward-looking information set out in this Information Circular (principally under the headings "Approval of Debenture Conversion" and "Consolidation of Common Shares") includes statements concerning (i) the anticipated benefits of the elimination of certain fixed payment obligations and improved working capital if outstanding secured debentures of the Corporation are converted into VoodooVox common shares, and (ii) expectations regarding the aggregate amount of principal and accrued interest under outstanding secured debentures of the Corporation, to be converted into VoodooVox common shares.

Forward-looking statements are based upon the opinions, expectations and estimates of management and, in some cases, information received from or disseminated by third parties, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. In addition to the risks discussed elsewhere in this Information Circular, these factors include such things as the Corporation's current stage of development, the lack of a track record with respect to the generation of revenues from performance-based arrangements with customers, its reliance on third parties and third party technology, the existence of competition, the availability of external financing, the inherent risks associated with research and development activities and commercialization of emerging technologies (such as lack of market acceptance), timing of execution of various elements of the Corporation's business plan, the availability of human resources, the emergence of competing business models, new laws (domestic or foreign), lack of acceptance by customers, management's estimates of project requirements being incorrect, information received from third parties with respect to anticipated transaction volumes being incorrect, a lack of advertising sources for integration into the platform, and management's understanding of the competitive and regulatory environment being incorrect. **Accordingly, readers should not place undue reliance upon the forward-looking information contained herein and the forward-looking statements contained in this**

Information Circular should not be considered or interpreted as guarantees of future outcomes or results.

Forward-looking information respecting the anticipated benefits of the elimination of certain fixed payment obligations and improved working capital if outstanding secured debentures of the Corporation are converted into VoodooVox common shares is based upon various assumptions and factors, including the absence of extraordinary or other unbudgeted expenses or liabilities, conversion of a significant portion of the outstanding principal amount of secured debentures into VoodooVox common shares in accordance with the terms herein, and that improved working capital will allow the Corporation to continue to raise additional funds through the offering of equity securities of the Corporation for working capital and other corporate purposes.

Forward-looking information respecting the aggregate amount of principal and accrued interest under outstanding secured debentures of the Corporation that may be converted into VoodooVox common shares and the agreement of holders of those debentures to, where applicable, reduce the price at which principal and interest thereunder may be converted into VoodooVox common shares or agree to terminate their non-convertible secured debentures in exchange for the issuance of VoodooVox common shares in full settlement of all principal and interest owing thereunder, is based upon various assumptions and factors, including preliminary discussions with certain holders of secured debentures and directors and officers of the Corporation who hold secured debentures and receipt by the Corporation of agreements pursuant to which certain holders of outstanding secured debentures have confirmed their willingness to convert the principal amount of those debentures and accrued but unpaid interest into VoodooVox common shares.

Appointment of Proxyholders and Revocation of Proxies

George Cooney and Alex Pekurar (the management designees named in the accompanying Instrument of Proxy) are both senior officers of the Corporation. Mr. Cooney is also a director of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder), other than George Cooney or Alex Pekurar, to represent such Shareholder at the Meeting.** To exercise this right, a Shareholder should cross out the names of Mr. Cooney and Mr. Pekurar and insert the name of the other person in the blank space provided on the accompanying Instrument of Proxy. Alternatively, a Shareholder may complete another appropriate form of proxy. **A proxy will not be valid unless it is deposited at the offices of Computershare Trust Company of Canada (by mail or courier, at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department; or by facsimile at 416-263-9524 or 1-866-249-7775), at least forty-eight hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof.**

A *registered* Shareholder who has submitted a proxy may revoke it by depositing a written instrument of revocation (signed by the Shareholder or by an authorized attorney or, if the Shareholder is a corporation (or other entity), by a duly authorized representative), either: (i) at the offices of Computershare Trust Company of Canada (by mail or courier, at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department; or by facsimile at 416-263-9524 or 1-866-249-7775) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities to which the proxy relates (or, if the Shareholder is a corporation (or other entity), by a representative of that corporation (or other entity) attending at the Meeting and voting such securities); or (ii) in any other manner permitted by law.

The foregoing information respecting the appointment of proxyholders and the revocation of proxies is generally applicable only to *registered* Shareholders, being persons who are named as holders of the Corporation's common shares (the "Common Shares") on the register of shareholders maintained by the Corporation's registrar and transfer agent (the "Register of Shareholders"). A

significant number of persons who beneficially own Common Shares, hold those shares in a brokerage account or through some other intermediary. In almost all cases, a person whose shares are held through a broker (or other intermediary) will not appear as the holder of record of such shares on the Register of Shareholders. Under applicable corporate legislation, non-registered shareholders (i.e., persons whose shares are not held in their own name) do not have the same rights as *registered* shareholders in respect of shareholder meetings (including the rights described above to appoint a proxyholder and revoke a deposited proxy). Accordingly, non-registered shareholders are required to act indirectly through their broker (or other intermediary) in order to vote their shares at the Meeting and non-registered shareholders should refer to the information set out under the heading "Voting of Common Shares - Advice to Non-registered Holders of Common Shares" in this Information Circular.

Exercise of Discretion by Proxyholders

On any ballot that may be called for at the Meeting, the management designees named in the accompanying Instrument of Proxy will vote (or withhold from voting) the shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them, and if the Shareholder specifies a choice with respect to any matter to be acted upon the shares will be voted accordingly. **In the absence of such direction, the relevant shares will be voted for: (i) the election of directors; (ii) the appointment of auditors, at such remuneration as may be determined by the directors of the Corporation; (iii) to consider and, if thought advisable, pass, with or without variation, an ordinary resolution approving and authorizing the conversion of various series' of an aggregate of up to \$12,415,439 in convertible and non-convertible secured debentures (previously issued by the Corporation), including up to all accrued and unpaid interest thereon, at the volume weighted average market price of the Common Shares prior to the time of conversion (and in any event, no greater than \$0.01 per Common Share), and the corresponding reduction in the conversion price of the convertible debentures and the termination and repayment of the non-convertible debentures through the issuance of Common Shares in satisfaction of such debt obligations, all as further set out in this Information Circular (as defined below); and (iv) to consider and, if thought advisable, pass, with or without variation, a special resolution to consolidate the share capital of the Corporation on the basis of fifty (50) existing Common Shares for one (1) new Common Share, or such greater or lower conversion ratio as the board of directors of the Corporation may determine, at its sole discretion, all as further set out in this Information Circular.** The accompanying Instrument of Proxy confers discretionary authority upon the proxyholder with respect to amendments to, or variations of, the matters identified in the Notice of Meeting and with respect to other matters that may properly be brought before the Meeting. As of the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to be brought before the Meeting.

Signing of Proxy

A proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation (or other entity), by a duly authorized representative. A proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should clearly indicate that person's capacity and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Corporate History

On January 9, 2012, Call Genie Inc. changed its name to VoodooVox Inc. The Corporation is the result of a merger involving GRD Enterprises Inc. ("**GRD**") (the "**Merger**"), which closed on August 17, 2004. In connection with the Merger, GRD (then a publicly traded corporation, the shares of which were listed on TSX Venture Exchange), acquired all of the common shares of Call Genie Inc. (then a private corporation). GRD and Call Genie Inc. subsequently amalgamated in accordance with the provisions of the

Business Corporations Act (Alberta), to form a new corporation, which continued to be named Call Genie Inc. until its name was changed in January 2012.

On August 17, 2004, the common shares of the Corporation ("**Common Shares**") were listed on the TSX Venture Exchange. On December 12, 2007, the Common Shares of the Corporation were delisted from the TSX Venture Exchange and began trading on the Toronto Stock Exchange (the "**TSX**"). On January 6, 2012, Call Genie Inc. completed the acquisition of the business assets of VoodooVox, Inc., a Delaware corporation. On January 9, 2012 the name of the Corporation was changed to VoodooVox Inc. and on January 17, 2012, the Common Shares commenced trading on the TSX under the name "VoodooVox Inc." and the ticker symbol VVX. On December 12, 2012 the Common Shares were delisted from the TSX as the Corporation did not meet the continued listing requirements of the TSX. On December 13, 2012, the Common Shares began trading on the Canadian National Stock Exchange (the "**CNSX**").

VOTING SHARES AND PRINCIPAL HOLDERS OF COMMON SHARES

Voting of Common Shares - General

As at the close of business on May 10, 2013, there were 213,362,121 Common Shares issued and outstanding, each of which carries the right to one vote at meetings of the Shareholders.

The directors have established the close of business on May 10, 2013 as the record date (the "Record Date") for determining the Shareholders entitled to receive notice of the Meeting. In accordance with the Act, the Corporation will prepare a list of the *registered* holders of Common Shares as of the Record Date. Each holder of Common Shares named in that list will be entitled, at the Meeting, to vote the shares shown opposite the holder's name, except to the extent that: (i) the Shareholder has transferred any of his/her/its Common Shares after the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes ownership of such shares and demands, not later than 10 days before the Meeting, that the transferee's name be included on the Shareholder's list, in which case the transferee will be entitled to vote such shares at the Meeting.

Voting of Common Shares - Advice to Non-registered Holders of Common Shares

The information in this section is important to many shareholders of the Corporation, as a substantial number of shareholders do not hold shares in their own name. Shareholders who do not hold their VoodooVox shares in their own name (referred to in this Information Circular as "**Non-registered Shareholders**") should note that only proxies deposited by shareholders whose names appear on the Register of Shareholders (as the holders of Common Shares) will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the Register of Shareholders. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted at the direction of the Non-registered Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the brokers' clients. **Therefore, Non-registered Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person well in advance of the Meeting.**

National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") requires brokers and intermediaries (such as banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs or similar plans) to seek voting instructions from Non-registered Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Non-registered Shareholders in order to ensure that their shares are voted at

the Meeting. In accordance with NI 54-101, the Corporation has distributed copies of this Information Circular and related materials (collectively, the "**meeting materials**") to depositories and intermediaries for onward distribution to Non-registered Shareholders. Non-registered Shareholders who have not waived the right to receive the meeting materials will receive either a voting instruction form or, less frequently, a form of proxy with the meeting materials forwarded to them. The purpose of those forms is to permit Non-registered Shareholders to direct the voting of the shares they beneficially own (but which are not registered in their name). Non-registered Shareholders should follow the procedures set out below, depending on the type of form they receive.

- (a) **Voting Instruction Form.** In most cases, a Non-registered Shareholder will receive, as part of the meeting materials, a voting instruction form. If a Non-registered Shareholder does not wish to attend and vote at the Meeting in person (or have someone other than the management designees attend and vote on his or her behalf), the voting instruction form must be completed, signed and returned in accordance with the instructions on (or with) the form, in order to ensure the Non-registered Shareholder's shares are voted at the Meeting. **Voting instruction forms in some cases permit the communication of voting instructions by telephone or through the Internet.** If a Non-registered Shareholder wishes to attend and vote at the Meeting in person (or have someone other than the management designees attend and vote on his or her behalf), the Non-registered Shareholder must complete, sign and return the voting instruction form in accordance with the directions provided on (or with) the form.
- (b) **Form of Proxy.** Less frequently, a Non-registered Holder will receive, as part of the meeting materials, a form of proxy that has already been signed by an intermediary (typically by a facsimile, stamped signature) and which is restricted to the number of shares beneficially owned by the Non-registered Shareholder, but which is otherwise incomplete. If the Non-registered Shareholder does not wish to attend and vote at the Meeting in person (or have someone other than the management designees attend and vote on his or her behalf), the Non-registered Shareholder must complete the form of proxy and deposit it with Computershare (by mail or courier, at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department; or by facsimile at 416-263-9524 or 1-866-249-7775), in order to ensure that the Non-registered Shareholder's shares are voted at the Meeting. If a Non-registered Shareholder wishes to attend and vote at the Meeting in person (or have someone other than the management designees attend and vote on his or her behalf), the Non-registered Shareholder must insert the Non-registered Shareholder's (or such other person's) name in the blank space provided, and deposit the completed proxy with Computershare (by mail or courier, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department; or by facsimile at 416-263-9524 or 1-866-249-7775).

Non-registered Shareholders should follow the instructions on the forms they receive and contact their broker (or other intermediary) promptly if they require assistance.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Except as otherwise disclosed in this Information Circular, there has been no transactions since January 1, 2012, and there is no proposed transaction, that has materially affected, or would materially affect, the Corporation or any of its subsidiaries in respect of which any of the following persons had, or has, a direct or indirect material interest: (i) any director or executive officer of the Corporation; (ii) any director or executive officer of any subsidiary of the Corporation; (iii) any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation (a "**10% Holder**"); (iv) any director or executive officer of a 10% Holder; or (v) any associate or affiliate of any of the foregoing.

During the period from June 2009 to the date of this Information Circular, the Corporation issued \$12,415,439 aggregate principal amount of secured convertible debentures and secured non-convertible debentures (collectively, the "**Debentures**") that remain outstanding at the date of this Information Circular, not including certain short term promissory notes and certain secured convertible debentures from strategic investors where the majority of the principal amount may be repaid by the Corporation through the provision of certain services to the holder. As of the date of this Information Circular, officers and directors of the Corporation hold \$355,000 principal amount of Debentures and a 10% Holder holds \$850,000 principal amount of Debentures. During 2012, these directors and officers received \$6,218 of interest in accordance with the terms of these Debentures, while the 10% Holder received \$39,534 of interest in accordance with the terms of these Debentures. In addition, certain Debentures issued by the Corporation in 2010 and 2012 have been secured with assets made available by the former Chairman of the board of directors of the Corporation (the "**Board**" or the "**Board of Directors**") at that time.

At the Meeting, among certain other items of business, Shareholders will be asked to consider and, if thought fit, pass, resolutions approving and authorizing (a) the termination of the non-convertible Debentures and the repayment to the holders thereof of all outstanding principal amounts and all interest accrued and payable to the date of termination through the issuance of Common Shares to the holders; and (b) a reduction in the conversion price associated with the convertible Debentures and the corresponding conversion of such Debentures. Certain directors and officers of the Corporation purchased Debentures in connection with prior private placement transactions and continue to hold those Debentures. Additional information relating to Debentures held by directors and officers of the Corporation is set out in the following table, and for more information with respect to the conversion of the Debentures, see the section below under the heading "*D. Approval of Debenture conversion*".

Name of Director / Officer / 10% Holder	Aggregate Principal Amount of Debentures Held (\$)	Acquisition of Debentures Date	Accrued Interest to May 13, 2013 (\$)	Conversion as at May 13, 2013 at \$0.005 (# of Common Shares)
Michael Durance	155,000	August 2010	23,866	35,773,200
	50,000	March 2012	9,000	11,800,000
	50,000	September 2012	2,696	10,539,200
	50,000	November 2012	2,696	10,539,200
Micky Tsui	25,000	November 2012	1,348	5,269,600
	25,000	March 2012	4,500	5,900,000
Glen Hommy ⁽¹⁾	300,000	June 2009	46,027	69,205,479
	100,000	November 2009	18,378	23,675,616
	100,000	August 2010	18,041	23,608,219
	300,000	February 2011	23,918	64,783,566
	50,000	November 2012	2,696	10,539,178

Note:

(1) These Debentures are held through 947541 Alberta Ltd.

Principal Holders of Shares

To the knowledge of the directors and senior officers of the Corporation, as at the date hereof, no person beneficially owns, directly or indirectly, or controls or directs more than 10% of the outstanding Common Shares, other than Glen Hommy. As at the Record Date, Glen Hommy (either directly or through

947541 Alberta Ltd.) was the beneficial owner of 23,604,996 Common Shares, which represented approximately 11% of the issued and outstanding Common Shares.

As at the Record Date, CDS & Co. was the *registered* owner of 162,641,570 Common Shares, which represented approximately 76% of the total number of issued and outstanding Common Shares. The directors and officers of the Corporation understand that CDS & Co. is a nominee and not a beneficial owner of Common Shares. Except as otherwise noted in this Information Circular, the directors and officers of the Corporation are not aware that any person on whose behalf such shares are held beneficially, owns or exercises control or direction over more than 10% of the outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED ON

A. FINANCIAL STATEMENTS

At the Meeting, shareholders will receive and consider the audited financial statements of the Corporation for the most recently completed financial year ended December 31, 2012, together with the auditors' report thereon.

B. ELECTION OF DIRECTORS

The term of office for each director is from the date of the meeting at which he is elected until the next annual meeting following his election or until his or her successor is elected or appointed. The Board of Directors of the Corporation is currently comprised of four (4) directors and the number of directors to be elected at the Meeting is four (4).

Voting for the election of the below named directors will be conducted on an individual, and not slate basis. Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. **Unless otherwise directed, the management designees named in the accompanying Instrument of Proxy intend to vote in favour of the election, as directors, of the nominees whose names are set out below.** All of the nominees are currently members of the Board. Each director elected will hold office until the next annual meeting of the Shareholders, unless his/her office is vacated prior to such meeting.

The following table and the notes thereto set out the name as well as the country and province and/or state of residence of each person proposed to be nominated for election as a director, his current position and office with the Corporation, his present principal occupation, business or employment, the date on which he was first elected or appointed a director of the Corporation, and the approximate number of common shares beneficially owned, or controlled or directed, directly or indirectly, which is in each instance based on information furnished by the person concerned as of the date of this Information Circular.

Name, Province or State and Country of Residence	Office(s) Currently Held	Principal Occupation or Employment	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾	Became a Director
Micky Tsui ⁽²⁾⁽³⁾ Plano, Texas, U.S.A.	Chairman of the Board and a Director	Mr. Tsui has run White Horse Partner, LLP, a business management and consulting company, since July 2010. Between Oct 2009 and May 2010, Mr. Tsui served as Senior Vice President and General Manager of Nuance Communications. Between Dec 2000 and Dec 2008, Mr. Tsui served as Senior Vice President and General Manager of Avaya.	813,151	October 1, 2012

Name, Province or State and Country of Residence	Office(s) Currently Held	Principal Occupation or Employment	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾	Became a Director
George Cooney ⁽⁴⁾ Concord, Massachusetts, U.S.A.	Chief Executive Officer and a Director	Chief Executive Officer of the Corporation from January 7, 2013 to present. From 2004 to 2011 Mr. Cooney was a venture partner with Summerhill Venture I Fund and its predecessor BCE Capital Fund.	Nil	January 7, 2013 ⁽⁵⁾
S. Graeme Ross ⁽²⁾⁽⁵⁾ Wainfleet, Ontario, Canada	Director	Mr. Ross has been President and Director of Bovinia Inc. (a private consulting company) since 1993. Since September, 2009, Mr. Ross has been a financial advisor with Dundee Wealth in St. Catherines, Ontario.	177,900	August 18, 2004 ⁽³⁾
Nancy Shemwell ⁽²⁾ Dallas, Texas, U.S.A.	Director	Ms. Shemwell is currently Executive Vice President of Global Sales of Extreme Networks, a technology leader in high-performance Ethernet switching for cloud, data center and mobile networks. Between May of 2009 and February of 2011, Ms. Shemwell served as President and CEO of Multi-Link, Inc., a manufacturer of linesharing and remote power rebooting equipment.	82,000	October 26, 2006

Notes:

- (1) 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 nominees individually. The information as to shares beneficially owned does not include Common Shares issuable on exercise of outstanding options or the conversion of outstanding debentures.
- (2) Member of the Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee.
- (3) Mr. Tsui was appointed to the Board Of Directors on October 1, 2012, filling the vacancy created by the resignation of the former Chairman of the Board, Richard W. DeVries, on October 1, 2012.
- (4) Mr. Cooney was appointed to the Board Of Directors on January 7, 2013, filling the vacancy created by the resignation of former director, Michael Durance, on January 7, 2013.
- (5) Mr. Ross was previously a director of GRD, a predecessor of the Corporation, from February 20, 2003 until August 18, 2004.

Micky Tsui

Mr. Tsui founded White Horse Partners, LLC to provide management support and advice to innovative small and medium-sized applications software and communications companies in North America, and to provide business development in Asia.

Mr. Tsui has more than 30 years' experience in the communications and software industries. He was most recently the senior vice president and general manager, Enterprise Solutions at Nuance Communications, Inc., managing both on-premises and hosting/SaaS businesses for speech self-service solutions for contact centers. Prior to that, he held various executive management positions with Avaya Inc., including its Unified Communications Solutions Division; the Global Communications Solutions Group; and Converged Communications Solutions Group, spanning across the full portfolio of enterprise products including collaboration, messaging, and contact centers with voice, video and data. Mr. Tsui was responsible for establishing Avaya as the global market leader in IP Telephony and increasing market share while significantly improving the operating margin of the business.

Mr. Tsui began his career with Nortel Networks in communications network planning and optimization. He held positions of increasing responsibility, including strategic planning, product

management and research and development. At Nortel he was responsible for the successful launch of the Meridian line of PBXs and the development of the Meridian mail and call center products. He also initiated the Internet Access and Solutions Business, addressing the needs of enterprise and service provider markets. He was the vice president and general manager of Internet Telephony at Nortel before going to Avaya.

George Cooney

Mr. Cooney is a recognized business leader, entrepreneur, startup advisor and investor in the mobile marketing, communications and internet technology industries with more than 30 years of experience helping build highly successful companies. Throughout his career, Mr. Cooney has established a record for entrepreneurial initiative realizing growth opportunities through strategic vision and hands-on business building experience. He has served as a board member, advisor and investor to several early stage companies with a strong focus on mobility and internet services. From 2004 to 2011 Mr. Cooney was a venture partner with Summerhill Venture I Fund and its predecessor BCE Capital Fund.

From 2002-2004 Mr. Cooney co-founded a venture backed company focused on building a first generation mobile platform for the adoption of mobile applications in fortune 2000 enterprises. Previously, he held senior management positions at Nortel Networks spanning a 20+ year career with multi-disciplinary roles in business strategy, operations, finance, product marketing, channel management and new business development. Mr. Cooney served as a Senior Vice President responsible for Nortel's Corporate Development and Ventures group from 1997 to 2001, where he oversaw Nortel's direct investments and acquisition strategies with emerging technology companies and strategic partnerships with venture capital funds. In a prior role Mr. Cooney led Nortel's strategic international development activities and was based in Europe during a period of rapid global expansion that supported the realization of Nortel's international revenue growth from \$300 million to \$5 billion. Mr. Cooney began his career at Telenet (acquired by GTE), pioneering in the first commercial packet switching networks founded by the leaders of the DARPA ARPANET initiative.

S. Graeme Ross

Mr. Ross is President and a Director of Bovinia Inc., a consulting company engaged in activities relating to corporate management, technology, telecommunications and information systems, since May 1993. Mr. Ross is also a financial adviser with Dundee Wealth in St. Catherines, Ontario and has acted in that capacity since September 2009. Mr. Ross was formerly President, Chief Executive Officer and a Director of Peartree Software Inc., a software company that develops and sells software used in the automotive parts manufacturing industry. Mr. Ross has also served as a Director of Glenbriar Technologies Inc. and of Smartcardsolutions.com Ltd., both Exchange listed companies.

Nancy Shemwell

Ms. Shemwell, Executive Vice President of Global Sales at Extreme Networks Inc., leads the sales and channel management teams across the company's global regions focused on expanding and establishing new paths to the cloud, data center, enterprise campus and mobility markets. In this role, Ms. Shemwell leverages Extreme Networks' technology leadership in high-performance Ethernet switching around the world and her 20 year track record of driving high performance transformational global sales forces.

Ms. Shemwell has previously held a variety of senior positions with global business responsibilities including assignments in Europe and North America. Her experience covers a broad spectrum of general management, sales and marketing roles in rapidly developing markets. Previous positions include that of President and CEO of Multi-Link, President and CEO Jovial Test Equipment, EVP at Symmetricom and a 16 year career with Nortel Networks where she held titles of President, Micom Communications Corporation (a Nortel subsidiary), Vice President Business Segments, Vice President Sales and Marketing Wiltel (Nortel's largest enterprise distributor) and Director Marketing for Europe, Middle East and Africa.

Ms. Shemwell holds a Bachelor of Business Administration from Baylor University and a Master of Science in Business Administration from the American Technological University.

Corporate Cease Trade Orders or Bankruptcies

To the best knowledge of the Corporation, no proposed director of the Corporation is, as at the date hereof, or has been within the last ten years prior to the date hereof, (a) subject to a cease trade order, an order similar to a cease trade order or an order that denied a company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director of the Corporation was acting in the capacity as director, chief executive officer or chief financial officer of that company; (b) subject to a cease trade order, an order similar to a cease trade order or an order that denied a company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director of the Corporation ceased to be a director, chief executive officer or chief financial officer of that company and which resulted from an event that occurred while that person was acting in such capacity; or (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Corporation, no proposed director of the Corporation, (a) has been subject to any penalties or sanctions imposed by a court relating to securities or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory or (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director of the Corporation.

To the knowledge of the Corporation, no proposed director of the Corporation is, or has within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

C. APPOINTMENT OF AUDITOR

Unless otherwise directed, the management designees named in the accompanying Instrument of Proxy intend to vote in favour of the appointment of Collins Barrow Toronto LLP as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders, at such remuneration as may be determined by the Board of Directors of the Corporation. Collins Barrow Toronto LLP, has acted as the auditors of the Corporation since April 11, 2013.

D. APPROVAL OF DEBENTURE CONVERSION

Since June, 2009, the Corporation privately placed \$22,150,889 aggregate principal amount of secured debentures in reliance upon exemptions from the prospectus requirements set out in applicable securities legislation. Effective the date hereof, \$12,415,439 aggregate principal amount secured debentures remains outstanding (the "**Debentures**"), excluding, as of the date hereof, an aggregate of \$515,000 in short-term promissory notes and approximately \$368,657 aggregate principal amount debentures issued to certain strategic investors whereby the largest portion of this principal amount may be repaid by the Corporation through the provision of services to the holder. The Debentures bear interest at rates ranging from 10% to 17.5% and have maturity dates ranging from May, 2012 to January, 2016.

Of the \$12,415,439 aggregate principal amount of Debentures which remain outstanding, an aggregate principal amount of \$7,045,439 are non-convertible secured debentures. The balance of the Debentures are convertible secured debentures, and holders thereof are entitled to convert the outstanding

principal amount of those Debentures and accrued but unpaid interest into Common Shares, at conversion prices ranging from \$0.50 to \$0.10 per share, subject to anti-dilution adjustments. If the aggregate principal amount of the Debentures distributed in 2009 were to be fully converted, at the \$0.50 conversion price applicable to those Debentures, an additional 4,680,000 Common Shares would be issued. If the aggregate principal amount of the Debentures distributed in 2010 were to be fully converted, at the \$0.10 conversion price applicable to those Debentures, an additional 3,500,000 Common Shares would be issued. If the aggregate principal amount of the Debentures distributed in 2011 were to be fully converted, at the \$0.25 conversion price applicable to those Debentures, an additional 10,720,000 Common Shares would be issued. The table set out below under the heading "*Summary of Dilution Pre and Post Transactions*" summarizes certain information relating to the Debentures.

A total of \$355,000 principal amount of Debentures is currently held by officers and directors of the Corporation, and a total of \$850,000 principal amount of Debentures is currently held by a 10% Holder. Accordingly, the proposed transactions described below would be a "related party transaction" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Corporation is exempt from the requirements to obtain a formal valuation in connection with these proposed transactions in reliance on sections 5.5(b) of MI 61-101, while the Corporation will seek Minority Approval (as defined below) at the Meeting in accordance with section 5.6 of MI 61-101.

If the Debentures mature in accordance with their terms and the principal amount owing under the Debentures is not converted into Common Shares, the Corporation will be required to make payments (on account of principal) to holders of those Debentures in the amounts and at the times set out in the following table:

Debenture Distribution Date	Aggregate Principal Amount Currently Outstanding \$	Accrued and Unpaid Interest to March 13, 2013 \$	Maturity/Payment Date
June, 2009	465,000	71,342	August 12, 2014
November, 2009 and January, 2010	1,875,000	275,671	August 31, 2014
August, 2010	1,225,000	41,827	August 12, 2014
February, 2011	300,000	63,144	May, 2014
March, 2011	2,680,000	83,377	March, 2015
March, 2012	750,000	63,439	March, 2015
June, 2012	748,439	23,918	June, 2014
August, 2012	1,987,000	97,192	August, 2015
September, 2012	1,000,000	16,866	September, 2015
October, 2012	200,000	107,135	October, 2015
November, 2012	660,000	53,918	November, 2015
January, 2013	525,000	4,866	January, 2016
March, 2013	165,450	35,586	March, 2015
TOTAL	12,415,439	956,058	

The Corporation has entered into a non-binding engagement letter in respect of a proposed financing (the "**Proposed Financing**") of the Corporation. A condition precedent to the completion of the Proposed Financing is the conversion of 95% of the outstanding Debentures (including all interest accrued and payable thereon) into Common Shares. In order to facilitate the Proposed Financing, or any other financing opportunities (through the issuance of either equity or debt, or some combination thereof) the Corporation may explore, management and the Board of Directors has determined that it is in the best interest of the Corporation to convert all or substantially all of the Debentures into Common Shares.

To promote the conversion of the principal amount of the Debentures and all accrued but unpaid interest, management and the directors of the Corporation have proposed: (a) a reduction in the conversion price applicable to all of the convertible Debentures to the fifteen (15) day volume weighted average price of the Common Shares as of the date two (2) business days to the date of conversion (and in any event, no greater than \$0.01 per Common Share) (the "**Adjusted Conversion Price**"); and (b) the termination and cancellation of all outstanding non-convertible Debentures in exchange for the issuance of Common Shares to the holders of such Debentures at the Adjusted Conversion Price for the aggregate outstanding principal amount of such Debentures and all interest accrued and payable on such non-convertible Debentures up to the date of termination.

In addition to enabling the Corporation to close a Proposed Financing or any other financing the opportunities that the Corporation may explore, management and the directors believe that the elimination of the fixed payment obligations set out above will alleviate certain significant financial stresses that the Corporation will otherwise experience and that the financial position of the Corporation will further improve as a result of the elimination of the interest payment obligations associated with the Debentures. If 100% of the principal amount of the Debentures and accrued but unpaid interest were to be converted into Common Shares by the holders of those Debentures (with effect as at May 13, 2013), the Corporation will eliminate approximately \$3,809,536 of interest payments over the next 3.5 years, of which \$781,959 is payable in the year ending December 31, 2013.

Management believes that the improved working capital position of the Corporation that will result from a reduction of the Corporation's indebtedness under the Debentures as well as from the net proceeds of the Proposed Financing, will enhance the financial prospects of the Corporation and allow the Corporation to more readily use its Common Shares as consideration in connection with future acquisition transactions.

The Corporation has distributed to, and intends to enter into written agreements with, Debenture holders providing for the reduction of the conversion price of outstanding Debentures to the Adjusted Conversion Price and the termination of the non-convertible Debentures in exchange for the conversion of the outstanding principal amount and all interest accrued and payable at the Adjusted Conversion Price per Common Share, subject to receipt of all required regulatory approvals and subject to agreement that the Debenture holder converts the principal and interest under their Debentures into Common Shares at the Adjusted Conversion Price.

The Corporation requires the approval of the CNSX in order to (a) reduce the conversion price applicable to the foregoing Debentures to the Adjusted Conversion Price, and (b) terminate the non-convertible Debentures in exchange for the issuance of Common Shares in satisfaction of such debt obligations. In addition, such transactions would be "related party transactions" pursuant to MI 61-101 and require "minority approval" as defined in MI 61-101. Accordingly, at the Meeting, Shareholders who are not "interested parties" (as defined in MI 61-101) will be asked to consider and, if thought advisable, pass an ordinary resolution approving and authorizing: (a) a reduction in the conversion price applicable to the convertible Debentures to the Adjusted Conversion Price and the issuance of Common Shares upon the exercise of conversion rights (at the Adjusted Conversion Price) attached to such Debentures; and, (b) the termination of the non-convertible Debentures in exchange for the issuance of Common Shares at the Adjusted Conversion Price per Common Share in satisfaction of such debt obligations, all as further described herein. **The directors of the Corporation recommend that Shareholders vote in favor of the foregoing ordinary resolutions at the Meeting.**

Summary Of Dilution Pre And Post Transactions

The following table summarizes the dilution of the Corporation's Common Shares prior to the transactions contemplated in this Information Circular, and the dilutive impact of each of the transactions contemplated in this Information Circular. For illustrative purposes, the following table contemplates the effect of the conversion of 100% of the principal amount of the Debentures both as of the date of this

Information Circular and as of August 31, 2013, at an Adjusted Conversion Price of \$0.005 per Common Share.

	Securities issued	Total fully diluted Common Shares
1. Common Shares outstanding	May 13, 2013	
	213,362,121	213,362,121
Options outstanding	31,355,000	31,355,000
Warrants outstanding	25,241,000	25,241,000
Broker warrants outstanding	637.25	3,647,000
Current Full Dilution excluding Debenture Conversion		273,605,121

2. Proposed Debenture Conversion and Conversion Incentives at May 13, 2013 and as at August 31, 2013

Maturity Date	Int. (%)	Principal Amount (\$)	Last Interest Payment Date	Price (\$) ⁽¹⁾	Accrued Interest to May 13, 2013 (\$)	As at May 13, 2013 (\$) ⁽²⁾	Conversion at as at May 13, 2013 (#) ⁽³⁾	As at August 31, 2013 (\$) ⁽⁴⁾	Conversion as at August 31, 2013 (#) ⁽⁵⁾
June, 2009	10	465,000	Aug 2011	0.50	71,342	536,342	107,268,493	550,356	110,071,233
Nov. 2009	12	1,500,000	Aug 2011	0.50	275,671	1,775,671	355,134,247	1,830,411	366,082,192
Jan. 2010	12	375,000	Feb 2012	0.50	41,827	416,827	83,365,478	430,389	86,077,806
Aug. 2010	15	350,000	Feb 2012	0.10	63,144	413,144	82,628,767	428,966	85,793,151
Aug. 2010	10	875,000	Jul 2012	N/A	83,377	958,377	191,675,342	984,747	196,949,314
Feb. 2011	15	300,000	Jun 2012	0.25	63,439	323,918	64,783,566	337,479	67,495,895
Mar. 2011	12	2,680,000	Mar 2013	N/A	23,918	2,743,439	548,687,781	2,840,359	568,071,890
Mar. 2012	15	750,000	Mar 2013	N/A	97,192	847,192	169,438,360	881,096	176,219,182
Jun. 2012	17.5	748,439	Mar 2013	N/A	16,866	765,304	153,060,892	804,777	160,955,385
Aug. 2012	12	1,987,000	Nov 2012	N/A	107,135	2,094,135	418,826,937	2,165,993	433,198,663
Sept. 2012	12	1,000,000	Nov 2012	N/A	53,918	1,053,918	210,783,562	1,090,082	218,016,438
Oct. 2012	12	200,000	Feb 2013	N/A	4,866	204,866	40,973,151	212,099	42,419,726
Nov. 2012	12	660,000	-	N/A	35,586	695,586	139,117,151	719,454	143,890,849
Jan. 2013	12	525,000	-	N/A	17,778	542,778	108,555,616	561,764	112,352,877
TOTAL:		12,415,439			956,058	13,371,497	2,674,299,341	13,837,973	2,767,594,601

3. Maximum Dilution from Debenture Conversion and Conversion Incentives: 2,767,594,601

4. Total Dilution on a fully-diluted basis (i.e. including all outstanding options and warrants): 3,041,199,722

Notes:

- (1) Current conversion price of applicable Debentures prior to the reduction in the conversion price of the applicable Debentures as set out herein.
- (2) Aggregate of principal amount of Debentures plus all accrued and unpaid interest as at May 13, 2013.
- (3) Number of Common Shares which would be issued upon conversion of 100% of the outstanding convertible Debentures and termination of 100% of outstanding non-convertible Debentures and conversion of the aggregate principal amount of such non-convertible Debentures (and conversion of all accrued and unpaid interest to the date of conversion) if such termination and conversion were to occur as of the date of this Information Circular at an Adjusted Conversion Price of \$0.005.
- (4) Aggregate of principal amount of Debentures plus all accrued and unpaid interest as at August 31, 2013, assuming no early conversion of convertible Debentures or repayment of principal amount or interest on Debentures, in accordance with their terms.
- (5) Number of Common Shares which would be issued upon conversion of 100% of the outstanding convertible Debentures and termination of 100% of outstanding non-convertible Debentures and conversion of the aggregate principal amount of such non-convertible Debentures (and conversion of all accrued and unpaid interest to the date of conversion) if such termination and conversion were to occur as of the date of this Information Circular at an Adjusted Conversion Price of \$0.005.

Ordinary Resolution

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve a resolution by a majority of the minority Shareholders ("**Minority Approval**") authorizing the conversion of the Debentures as described above. The text of the ordinary resolution, which will be submitted to Shareholders at the Meeting, is set forth below. **Unless otherwise directed, the management designees named in the accompanying Instrument of Proxy intend to vote FOR the following ordinary resolutions at the Meeting.** In order to satisfy the Minority Approval requirement, each of the following ordinary resolutions must be passed by not less than 50% of the votes cast at the Meeting by Shareholders who vote in person or by proxy, other than the following persons: (i) "interested parties" as defined in MI 61-101; (ii) a "related party" (as defined in MI 61-101) to the interested party, unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither interested parties nor insiders of the Corporation; and (iii) a "joint actor" (as defined in MI 61-101) with any persons referred to in (i) or (ii), above. Approximately 29,717,130 Common Shares or approximately 14.7% of the currently issued and outstanding Common Shares will be excluded from the vote by minority shareholders. The text of each of the ordinary resolutions to be presented to the Meeting is as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. on a date to be determined by the board of directors of the Corporation at its discretion: (i) the conversion into common shares in the capital of the Corporation ("**Common Shares**") of up to an aggregate of \$12,415,439 outstanding principal under various series of non-convertible secured debentures and convertible secured debentures (for purposes of this ordinary resolution, the "**Debentures**") and the conversion into Common Shares, including up to all accrued but unpaid interest on the Debentures as at the date of conversion, by (a) reducing the price at which Common Shares may be issued upon conversion of the convertible Debentures to the fifteen (15) day volume weighted average price of the Common Shares as of the date two (2) business days prior to the date of conversion (and in any event, no greater than \$0.01 per Common Share) (the "**Adjusted Conversion Price**"), and (b) terminating the non-convertible Debentures and re-paying up to all outstanding principal amount and all accrued and unpaid interest on such non-convertible Debentures through the issuance of Common Shares at the Adjusted Conversion Price in full satisfaction of such debt obligations; and (ii) the issuance of up to that number of Common Shares as issuable upon the conversion of up to 100% of the principal amount and all accrued and unpaid interest on the Debentures as at the date of conversion (at the Adjusted Conversion Price per Common Share), be and the same are hereby approved and authorized;
2. where applicable the terms of the Debentures be amended to (i) reflect the reduction in the conversion prices applicable to such Debentures, and (ii) provide for the early termination of non-convertible Debentures in exchange for the issuance of Common Shares (all as approved pursuant to paragraph 1 above), and any one director or officer of the Corporation be and he is hereby authorized to approve the form and terms of any amending agreements or other instruments required to give effect to the same and to provide for the execution and delivery of such agreements or instruments; and
3. the directors of the Corporation are hereby authorized, in their discretion, to revoke this ordinary resolution or any portion thereof before it is acted upon without further approval or authorization of the shareholders of the Corporation."

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE ABOVE ORDINARY RESOLUTIONS UNLESS A SHAREHOLDER HAS

SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH ORDINARY RESOLUTIONS.

E. CONSOLIDATION OF COMMON SHARES

As a condition precedent for the Proposed Financing, the Corporation must receive approval from the Shareholders for the consolidation of its Common Shares subsequent to the conversion of the Debentures. Accordingly, Shareholders are being asked to consider, and, if deemed appropriate, to approve, a special resolution approving an amendment to the Corporation's articles of incorporation to consolidate its issued and outstanding Common Shares (the "**Consolidation**") on the basis of up to one (1) post-consolidation Common Share for up to each fifty (50) pre-consolidation Common Shares, or such greater or lower consolidation as may be determined by the Board at its sole discretion (the "**Consolidation Ratio**"). The Board of Directors may in its sole discretion determine to use a Consolidation Ratio which may be greater than or less than the above, and subject always to the Corporation continuing to meet the distribution requirements of the CNSX. Subject to the approval of the CNSX, approval of the special resolution by holders of Common Shares would give the Board of Directors authority to implement the Consolidation at any time in the twelve months following the date of the Meeting, however it is presently the intention of the Board of Directors to implement the Consolidation following the completion of the conversion of the Debentures as described above. Notwithstanding approval of the proposed Consolidation by Shareholders, the Board of Directors, in its sole discretion, may revoke the special resolution and abandon the Consolidation without further approval or action by or prior notice to Shareholders. All outstanding warrants, options or convertible debt instruments of the Corporation which contain applicable adjustment provisions will be treated accordingly upon Consolidation.

Under the *Business Corporations Act* (Alberta) (the "**ABCA**"), any company may, by special resolution unless otherwise specified in the Corporation's By-laws, alter its constating documents to consolidate its share capital. To be approved, the above special resolution must be passed by not less than two-thirds of the votes cast by shareholders at the Meeting. **Unless otherwise specified, the persons named in the enclosed form of proxy will vote FOR the special resolution.**

The proposed Consolidation will not alter or change in any way any shareholder's proportion of votes to total votes, however, the total votes capable of being cast by shareholders at a general meeting of the shareholders of the Corporation in the future will be reduced if the resolution is passed. Any resulting fractional share will be dealt with by taking the number of shares issuable on the exchange to the nearest lower whole share. In the event that the proposed share Consolidation is not approved by the special resolution of the shareholders, the Corporation will not proceed with this matter.

The Board of Directors recommends that the shareholders vote in favour of the Consolidation, in order to assist the Corporation to complete the Proposed Financing and to obtain new financing in the future.

The background to and reasons for the Consolidation, and certain risks associated with the Consolidation and related information, are described below.

Background to and reasons for the Consolidation

Upon completion of the conversion of the Debentures, the Board of Directors believes that it is in the best interests of the Corporation to reduce the number of outstanding Common Shares by way of the Consolidation. The potential benefits of the Consolidation include:

- *Facilitate Proposed Financing* – As discussed above, a condition precedent to the completion of the Proposed Financing is the conversion of 95% of the outstanding Debentures of the Corporation and the consolidation of the Common Shares of the Corporation on a 50 to 1 basis. In addition, in the event the Corporation explores alternative financing opportunities, the conversion of all or

substantially all of the Debentures may help facilitate such future financing opportunities for the Corporation.

- *Greater investor interest* – a higher post-consolidation Common Share price could help generate interest in the Corporation among investors, as a higher anticipated Common Share price may: (i) meet investing guidelines for certain institutional investors and investment funds that may be prevented under their investing guidelines from investing in the Common Shares at current price levels; and (ii) result in changes in the price levels of the Common Shares less volatile on a percentage basis;
- *Reduction of Shareholder transaction costs* – investors may benefit from relatively lower trading costs associated with a higher Common Share price. It is likely that some investors pay commissions based on the number of Common Shares traded when they buy or sell Common Shares. If the Common Share price was higher, investors may pay lower commissions to trade a fixed dollar amount than they would if the Common Share price is lower; and
- *Improved trading liquidity* – the combination of potentially lower transaction costs and increased interest from investors may ultimately improve the trading liquidity of the Common Shares.
- *Compliance with CNSX pricing policies* – CNSX policies require special approval for issuances of Common Shares at a price less than \$0.05 per share. A share consolidation may allow the Corporation to complete financings in the future without requiring exemptive relief from the CNSX for the pricing of Common Shares in any such transactions.

The Consolidation is subject to regulatory approval, including approval of the CNSX. As a condition to the approval of a consolidation of shares listed for trading on the CNSX, the CNSX requires, among other things, that an CNSX-listed issuer continue to meet the CNSX's listing requirements after the share consolidation. In order for the Corporation to continue to meet the CNSX's listing requirements, the Corporation must have at least 150 public shareholders holding a certain minimum number of freely-tradeable Common Shares, after completion of the Consolidation. As a result, management of the Corporation may determine that it is necessary to implement a lower share consolidation ratio in order to satisfy the listing requirements and obtain approval of the Consolidation from the CNSX. Management of the Corporation may also determine to implement a lower or higher share Consolidation Ratio for other reasons, such as to adjust to a higher stock price for the Corporation's shares or to reflect an increase in the actual or expected value of the Corporation's assets.

If the special resolution is approved, the Consolidation would be implemented, if at all, only upon a determination by the Board of Directors that it is in the best interests of the Corporation at that time. In connection with any determination to implement the Consolidation, the Board of Directors will set the timing for the Consolidation to become effective, which the Board of Directors currently anticipates will be as soon as practicable following the Meeting and the conversion of the Debentures, if approved by the Shareholders and which conversion is subject to all applicable regulatory approval. No further action on the part of Shareholders would be required in order for the Board of Directors to implement the Consolidation.

If the Board of Directors does not implement the Consolidation prior to the next annual meeting of Shareholders, the authority granted by the special resolution to implement the Consolidation on these terms would lapse and be of no further force or effect. The special resolution also authorizes the Board of Directors to elect not to proceed with, and abandon, the Consolidation at any time if it determines, in its sole discretion, to do so.

Following the filing by the Corporation of articles of amendment implementing the Consolidation (assuming that the Consolidation special resolution is passed at the Meeting), a letter of transmittal will be sent by mail to registered Shareholders advising them that such articles of amendment have been filed, and

instructing them on how to surrender their currently held Common Share certificates ("**Old Share Certificates**") for replacement share certificates of the Corporation, representing the number of Common Shares to which they are entitled as a result of the Consolidation. No delivery of a new share certificate to a shareholder will be made until the shareholder has surrendered his Old Share Certificate. Until surrendered, each Old Share Certificate will be deemed for all purposes to represent the number of Common Shares to which the holder thereof is entitled as a result of the Consolidation.

Non-Registered Holders, holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have various procedures for processing the Consolidation. If a Shareholder holds Common Shares with such a bank, broker or other nominee and has any questions in this regard, the Shareholder is encouraged to contact its nominee. No fractional shares will be issued upon the consolidation of the Common Shares.

Certain Risks associated with the Consolidation

The Corporation's total market capitalization immediately after the proposed Consolidation may be lower than immediately before the proposed Consolidation

There are numerous factors and contingencies that could affect the Common Share price prior to or following the Consolidation, including the status of the Corporation's reported financial results in future periods, and general economic, geopolitical, stock market and industry conditions. Accordingly, the market price of the Common Shares may not be sustainable at the direct arithmetic result of the Consolidation, and may be lower. If the market price of the Common Shares is lower than it was before the Consolidation on an arithmetic equivalent basis, the Corporation's total market capitalization (the aggregate value of all Common Shares at the then market price) after the Consolidation may be lower than before the Consolidation.

A decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation, and the liquidity of the Common Shares could be adversely affected following the Consolidation

If the Consolidation is implemented and the market price of the Common Shares declines, the percentage decline may be greater than would occur in the absence of the Consolidation. The market price of the Common Shares will, however, also be based on the Corporation's performance and other factors, which are unrelated to the number of Common Shares outstanding. Furthermore, the liquidity of the Common Shares could be adversely affected by the reduced number of Common Shares that would be outstanding after the Consolidation.

The Consolidation may result in some Shareholders owning "odd lots" of less than 100 Common Shares on a post-consolidation basis, which may be more difficult to sell, or require greater transaction costs per Common Share to sell than Common Shares held in "board lots" of even multiples of 100 Common Shares.

No Fractional Shares to be Issued

No fractional Common Shares will be issued in connection with the Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional Common Share upon the Consolidation, such fraction will be rounded down to the nearest whole number.

Effects of the Consolidation on the Common Shares

If approved and implemented, the Consolidation will occur simultaneously for all of the Common Shares and the consolidation ratio will be the same for all of such Common Shares. Except for any variances attributable to fractional shares, the change in the number of issued and outstanding Common Shares that will result from the Consolidation will cause no change in the capital attributable to the Common Shares and

will not materially affect any Shareholder's percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of Common Shares.

In addition, the Consolidation will not materially affect any Shareholder's proportionate voting rights. Each Common Share outstanding after the Consolidation will be entitled to one vote and will be fully paid and non-assessable.

The principal effects of the Consolidation will be that, as of May 13, 2013, the number of Common Shares issued and outstanding would be reduced from 213,362,121 Common Shares to approximately 4,267,242 Common Shares, assuming a Consolidation Ratio of fifty (50) to one (1). For illustrative purposes and as an example only, assuming the conversion of 100% of the Debentures (including all accrued and unpaid interest) as at August 31, 2013 in accordance with the terms set out above at an Adjusted Conversion Price of \$0.005, the number of Common Shares issued and outstanding will be reduced from 2,767,594,601 Common Shares (as at August 31, 2013, after conversion of 100% of the Debentures and all interest accrued and payable into Common Shares) to approximately 55,351,892 Common Shares, assuming a Consolidation Ratio of fifty (50) to one (1).

The implementation of the Consolidation will not affect the total shareholders' equity of the Corporation or any components of shareholders' equity as reflected on the Corporation's financial statements except: (i) to change the number of issued and outstanding Common Shares; and (ii) to change the stated capital of the Common Shares to reflect the Consolidation.

Procedure for Implementing the Consolidation

If the special resolution is approved by Shareholders and the Board decides to implement the Consolidation, the Corporation will promptly file articles of amendment with the Director under the ABCA in the form prescribed by the ABCA to amend the Corporation's articles of incorporation. The Consolidation will become effective on the date shown in the certificate of amendment issued by the Director under the ABCA or such other date indicated in the articles of amendment provided that, in any event, such date will be prior to the next annual meeting of Shareholders.

No Dissent Rights

Under the ABCA, Shareholders do not have dissent and appraisal rights with respect to the proposed Consolidation.

No Name Change

Pursuant to the policies of the CNSX, the Corporation is required to change the name of the Corporation in conjunction with any share consolidation. The Board of Directors intends to seek an exemption from the above-mentioned requirements of the CNSX in order to proceed with the Consolidation without having to change the name of the Corporation.

Special Resolution

The text of the special resolution, which will be submitted to Shareholders at the Meeting, is set forth below. For the reasons indicated above, the Board of Directors and management of the Corporation believe that the proposed Consolidation is in the best interests of the Corporation and, accordingly, recommend that Shareholders vote FOR the special resolution. To be effective the Consolidation must be approved by not less than two-thirds (66 $\frac{2}{3}$ %) of the votes cast by holders of Common Shares present in person or represented by proxy and entitled to vote at the Meeting.

"BE IT RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS, THAT:

1. VoodooVox Inc. (the "**Corporation**") is hereby authorized to amend its articles of incorporation to provide that:
 - (a) upon completion of the conversion of all or substantially all of the outstanding debentures of the Corporation into common shares of the Corporation ("**Common Shares**"), the authorized and issued common share capital of the Corporation be altered by consolidating all of the then issued Common Shares on the basis that every fifty (50) Common Shares be consolidated into one (1) new Common Share, or such greater or lower share consolidation ratio as may be determined by the board of directors of the Corporation at its sole discretion;
 - (b) in the event that the consolidation would otherwise result in the issuance of a fractional Common Share, no fractional Common Share shall be issued and such fraction will be rounded down to the nearest whole number; and
 - (c) the effective date of such consolidation shall be the date shown in the certificate of amendment issued by the Director appointed under the *Business Corporations Act* (Alberta) or such other date indicated in the articles of amendment provided that, in any event, such date shall be prior to the next annual meeting of shareholders of the Corporation.
2. Any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute, or to cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to carry out the intent of this special resolution, including, without limitation, the determination of the effective date of the consolidation and the delivery of articles of amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Alberta), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.
3. Notwithstanding the foregoing, the directors of the Corporation are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this special resolution at any time before a certificate of amendment is issued by the Director."

Management recommends that Shareholders vote FOR the adoption of the special resolution approving the Consolidation.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE ABOVE SPECIAL RESOLUTIONS UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH SPECIAL RESOLUTIONS.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation of Named Executive Officers

The Corporation's Statement of Executive Compensation, in accordance with the requirements of Form 51-102F6 – Statement of Executive Compensation, is set forth below, which contains information about the compensation paid to, or earned by, the Corporation's Chief Executive Officer and Chief Financial Officer and each of the other three most highly compensated executive officers of the Corporation earning more than CDN\$150,000.00 in total compensation as at December 31 2012 (the "**Named Executive Officers**" or "**NEOs**") during the Corporation's last three most recently completed financial years. The Corporation had four Named Executive Officers as at December 31, 2012, being Michael Durance (President and Chief Executive Officer as at December 31, 2012 and presently Chief Strategy Executive), Alex Pekurar (Chief Financial Officer of the Corporation as of October 1, 2012), Tony Philipp (Senior Vice President of Mobile Advertising as of October 1, 2012) and Gene Cohen (Senior Vice President of Operations and Chief Technology Officer as of October 1, 2012). In addition, Christopher Shelton (former Chief Financial Officer), was a Named Executive Officer during the year-ended December 31, 2012.

Compensation Discussion and Analysis

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's objectives and increase shareholder value. The main objective of the compensation program is to reward the contribution of the Name Executive Officers based on the overall success and strategic growth of the Corporation. The compensation program is designed to reward individual performance by aligning a component of the compensation with the Corporation's business performance, thereby enhancing the value of its Common Shares. The philosophy of the Corporation is to pay the Named Executive Officers a total compensation amount that is competitive with other executives in the technology industry and geographical area and an amount that is consistent with the experience and responsibility level of the individual. The purpose of executive compensation is to reward the executives and directors for their contributions to the achievements of the Corporation, on both an annual and long term basis.

The compensation program of the Corporation provides incentives to achieve short term and long term objectives. The short term incentives generally include salary and a bonus program based on meeting various criteria including the financial performance of the Corporation. The Corporation provides long term incentives to its executives and directors through grants of stock options under the Corporation's stock option plan. Management and the directors believe that the longer term incentive links the interests of the Named Executive Officers and directors to shareholders of the Corporation.

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

General

The Corporation's compensation policies are designed to recognize and reward individual performance as well as to provide a competitive level of compensation. The Corporation's current compensation plan consists of the following elements:

- base salary;
- annual incentive bonuses;

- employee stock purchase plan;
- option-based awards; and
- benefits and perquisites.

A description of each element and its purpose is set out below.

Base Salary

The purpose of the base salary is to attract and retain executives by providing a competitive base compensation. The level of base salary for each Named Executive Officer is determined by the level of responsibility and importance of the position to the Corporation, within competitive industry ranges. The Compensation Committee makes recommendations to the Board of Directors regarding the base salary of the Chief Executive Officer on an annual basis. For other Named Executive Officers, the Compensation Committee makes recommendations to the Board of Directors regarding the base salary compensation based on the recommendation of the Chief Executive Officer. The Compensation Committee makes recommendations to the Board of Directors for any material changes in base salary for the Named Executive Officers. The Compensation Committee and the Board of Directors may take into account executive compensation paid by companies comparable with the Corporation, although no specific benchmarking policy is in place for determining compensation or any element of compensation.

Annual Incentive Bonuses

Annual incentive bonuses are a short-term variable compensation element, designed to reward Named Executive Officers on an annual basis for achieving corporate objectives. The Corporation's business objectives are generally established by the Board of Directors near the beginning of the year. Determination of the amount of bonus awarded to each Named Executive Officer is based on a standardized bonus program reviewed and approved by the Compensation Committee for recommendation to the Board of Directors. For 2012, the annual incentive program was not implemented, which is consistent with the Corporation's cash conservation objectives. The directors expect to reevaluate the bonus program for 2012.

Employee Stock Purchase Plan

The Shareholders of the Corporation have previously approved an employee stock purchase plan for all eligible employees. Under the plan, common shares of the Corporation may be purchased, at three-month intervals, at 85% of the weighted average trading price of each of the three-month periods. Employees may contribute from 3% to 20% of their gross base salary to this purchase plan. The purpose of the purchase plan is to promote the interests of the Corporation by aiding management in attracting and retaining employees who are expected to contribute to VoodooVox's growth and financial performance for the benefit of VoodooVox's shareholders, and to enable employees to augment their ownership position in the Corporation. For more information with respect to the employee stock purchase plan see the section under the heading below "*Summary of ESPP*".

Option-Based Awards

Option-Based Awards are designed to align executive and shareholder interests, focus executives on longer term value creation and also to support the retention of key executives. Named Executive Officers may be issued options to purchase Common Shares or other option-based awards as recommended by the Compensation Committee and authorized by the Board of Directors. Named Executive Officers are excluded from the decision making process regarding option-based compensation to be awarded to them. Previous grants of option-based awards are taken into account when considering new grants to the Named Executive Officers.

Benefits and Perquisites

In addition to the compensation elements set out above, the Named Executive Officers also participate in the Corporation's benefit plans that are available to all employees. The level of other perquisites depends on the employee's position. The purpose of the benefits and perquisites is to attract, retain and motivate the employees. Perquisites and other personal benefits received by the Named Executive Officer did not exceed the lesser of \$50,000 and 10% of any such executive officer's total annual salary.

Compensation Risk

The Corporation has not adopted a formal policy on compensation risk management nor has it engaged an independent compensation consultant. The Corporation recognizes that there may be risks in its current processes but given the size and number of executives dedicated on a full-time basis, the Corporation does not believe the risks to be significant.

The Corporation has a Compensation Committee, consisting of three independent members of the Board of Directors, to assist the Board of Directors in discharging its duties relating to compensation of the Corporation's directors and senior officers. The Board of Directors believes that the executive compensation program of the Corporation should not raise its overall risk profile. Accordingly, the Corporation's executive compensation programs include safeguards designed to mitigate compensation risks. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments:

- discretionary bonus payments are recommended to the Board of Directors by the Compensation Committee based on annual performance reviews;
- the Compensation Committee consisting of a minimum of three members, all being independent;
- stock option vesting and option terms of 2–5 years discourages excessive risk taking to achieve short-term goals; and
- implementation of trading black-outs limit the ability of senior officers to trade in securities of the Corporation.

Inappropriate and excessive risks by executives are also mitigated by regular meetings of the Board of Directors, at which, activity by the executives must be approved by the Board of Directors if such activity is outside previously Board of Directors-approved actions and/or as set out in a board-approved budget. Due to the size of the Corporation, and given the current composition of the Corporation's executive management team, the Board of Directors and the Compensation Committee are able to closely monitor and consider any risks which may be associated with the Corporation's compensation practices. Risks, if any, may be identified and mitigated through regular Board of Directors meetings during which financial and other information of the Corporation are reviewed, including executive compensation.

Summary Compensation Table

The following table and notes thereto set out information concerning the compensation paid to the Named Executive Officers during the years ended December 31, 2010 to December 31, 2012. No directors or officers are indebted to the Corporation.

Name and Principal Position	Year	Salary (\$) ⁽⁸⁾	Share-based awards (\$)	Option-based awards (\$) ⁽⁵⁾	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All Other Compensation (\$) ⁽⁶⁾	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Michael Durance ⁽¹⁾ Chief of Corporate Strategy and Development	2012	210,243	Nil	61,102	Nil	Nil	Nil	Nil	271,345
	2011	243,231	Nil	33,121	Nil	Nil	Nil	Nil	276,352
	2010	237,939	Nil	73,971	Nil	Nil	Nil	Nil	311,676
Alex Pekurar ⁽²⁾ Chief Financial Officer	2012	95,003	Nil	5,246	Nil	Nil	Nil	Nil	100,249
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Christopher Shelton ⁽³⁾ Chief Financial Officer	2012	120,317	Nil	Nil	Nil	Nil	Nil	Nil	120,317
	2011	167,281	Nil	21,541	Nil	Nil	Nil	Nil	188,822
	2010	172,404	Nil	29,773	Nil	Nil	Nil	Nil	190,976
Tony Philipp ⁽⁴⁾ Senior Vice President of Mobile	2012	156,207	Nil	37,150	Nil	Nil	Nil	Nil	193,357
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Gene Cohen ⁽⁵⁾ Senior Vice President of Operations and Chief Technology Officer	2012	191,483	Nil	48,664	Nil	Nil	Nil	Nil	240,147
	2011	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2010	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Durance was appointed as Chief Executive Officer on June 27, 2005 and resigned as Chief Executive Officer and was appointed Chief Strategy Executive effective January 7, 2013.
- (2) Mr. Pekurar was controller of the Corporation from January 10, 2011 to October 1, 2012. On October 1, 2012, Mr. Pekurar was appointed Chief Financial Officer of the Corporation.
- (3) Mr. Shelton was appointed Chief Financial Officer on March 1, 2006 and resigned as Chief Financial Officer on October 1, 2012.
- (4) Mr. Philipp was appointed Senior Vice President of Mobile Advertising on October 1, 2012.
- (5) Mr. Cohen was appointed Senior Vice President of Operations and Chief Technology Officer on October 1, 2012.
- (6) Calculated using the Black Scholes option pricing model, assuming a risk free interest rate of 1.0%, dividend yield of 0%, expected volatility of 119% and an expected life of 3.00 years. The Corporation uses the Black Scholes option pricing model to calculate the grant date fair value of options granted to Named Executive Officers and directors, as the Black Scholes model is commonly used by other issuers to calculate the value of options and is an acceptable model to estimate the "cost" of options for financial statement purposes.
- (7) Perquisites and other personal benefits received by the Named Executive Officer did not exceed the lesser of \$50,000 and 10% of any such executive officer's total annual salary.
- (8) Amount includes the value of shares issued to certain NEO's in accordance with the terms of the Corporation's Employee Stock Purchase Plan. During the year-ended December 31, 2012, Mr. Durance received 135,706 shares for an aggregate value of \$8,500, Mr. Shelton received 95,793 shares for an aggregate value of \$6,000, Mr. Philipp received 31,440 shares for an aggregate value of \$2,527 and Mr. Cohen received 46,565 shares for an aggregate value of \$1,655. During the year-ended December 31, 2011, Mr. Durand received 170,995 shares for an aggregate value of \$14,875 and Mr. Shelton received 120,702 shares for an aggregate value of \$10,500. For further information regarding the Corporation's Employee Stock Purchase Plan see the section below under the heading "Summary of ESPP".

Incentive Plan Awards

The following table and notes thereto set out, for each Named Executive Officer, information concerning all option-based awards outstanding at December 31, 2012. There were no share-based awards in 2012.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽⁶⁾
Michael Durance ⁽¹⁾ Chief of Corporate Strategy and Development	3,250,000	0.075	February 25, 2014	Nil
	150,000	0.185	February 10, 2015	Nil
	100,000	0.120	August 19, 2015	Nil
	350,000	0.160	May 16, 2016	Nil
	1,000,000	0.095	January 6, 2017	Nil
	2,000,000	0.025	September 28, 2017	Nil
Alex Pekurar ⁽²⁾ Chief Financial Officer	20,000	0.140	February 1, 2016	Nil
	50,000	0.095	January 6, 2017	Nil
	1,000,000	0.025	September 28, 2017	Nil
Tony Philipp ⁽³⁾ Senior Vice President of Mobile	250,000	0.085	November 15, 2016	Nil
	750,000	0.095	January 6, 2017	Nil
	100,000	0.050	June 7, 2017	Nil
	1,000,000	0.025	September 28, 2017	Nil
Gene Cohen ⁽⁴⁾ Senior Vice President of Operations and Chief Technology Officer	218,750	0.095	January 6, 2017	Nil
	900,000	0.095	January 6, 2017	Nil
	50,000	0.050	June 7, 2017	Nil
	1,000,000	0.025	September 28, 2017	Nil
Christopher Shelton ⁽³⁾ Chief Financial Officer	Nil	N/A	N/A	N/A

Notes:

- (1) Mr. Durance was appointed as Chief Executive Officer on June 27, 2005 and resigned as Chief Executive Officer and was appointed Chief of Corporate Strategy and Development effective January 7, 2013.
- (2) Mr. Pekurar was controller of the Corporation from January 10, 2011 to October 1, 2012. On October 1, 2012, Mr. Pekurar was appointed Chief Financial Officer of the Corporation
- (3) Mr. Philipp was appointed Senior Vice President of Mobile Advertising on October 1, 2012.
- (4) Mr. Cohen was appointed Senior Vice President of Operations and Chief Technology Officer on October 1, 2012.
- (5) Mr. Shelton was appointed Chief Financial Officer on March 1, 2006 and resigned as Chief Financial Officer on October 1, 2012.
- (6) Value represents the difference between the closing price of the Common Shares of the Corporation as quoted by the CNSX on December 31, 2012 and the option exercise price. The closing price of the Common Shares was \$0.005 on December 31, 2012.

The following table and notes thereto set out, for each Named Executive Officer, information concerning the value vested or earned on all option-based and share-based awards and non-equity incentive plan compensation during the financial year ended December 31, 2012.

Name	Option-based awards – Value vested during the year (\$) ⁽⁶⁾	Share-based awards – Value vested during the year (\$) ⁽⁷⁾	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Durance ⁽¹⁾ Chief of Corporate Strategy and Development	22,792	8,500	Nil
Alex Pekurar ⁽²⁾ Chief Financial Officer	661	Nil	Nil
Tony Philipp ⁽³⁾ Senior Vice President of Mobile	5,062	2,527	Nil
Gene Cohen ⁽⁴⁾ Senior Vice President of Operations and Chief Technology Officer	14,681	1,655	Nil
Christopher Shelton ⁽³⁾ Chief Financial Officer	16,582	6,000	Nil

Notes:

- (1) Mr. Durance was appointed as Chief Executive Officer on June 27, 2005 and resigned as Chief Executive Officer and was appointed Chief of Corporate Strategy and Development effective January 7, 2013.
- (2) Mr. Pekurar was controller of the Corporation from January 10, 2011 to October 1, 2012. On October 1, 2012, Mr. Pekurar was appointed Chief Financial Officer of the Corporation
- (3) Mr. Philipp was appointed Senior Vice President of Mobile Advertising on October 1, 2012.
- (4) Mr. Cohen was appointed Senior Vice President of Operations and Chief Technology Officer on October 1, 2012.
- (5) Mr. Shelton was appointed Chief Financial Officer on March 1, 2006 and resigned as Chief Financial Officer on October 1, 2012.
- (6) Value represents the difference between the price on vesting date and the option exercise price. See the information below under the heading "Stock Options".
- (7) Share based awards were made pursuant to the Corporation's employee share purchase plan. See the information below under the heading "Summary of ESPP".

Stock Options

The Corporation graduated from the Venture Exchange to the TSX on December 12, 2007. The rules of the TSX governing stock option plans are considerably different from those of the Venture Exchange. As a result, and with the approval of the Shareholders of the Corporation (granted at the Corporation's 2007 meeting of Shareholders), the Corporation adopted a new option plan (the "**Option Plan**") effective upon the listing of the Common Shares on the TSX. The Option Plan authorizes the Board of Directors to grant options to various individuals who are in a position to contribute to the success and growth of the Corporation. The Option Plan was ratified and confirmed by the Shareholders of the Corporation at the annual general meeting of the Shareholders in 2011. Upon delisting from the TSX and listing on the CNSX on December 13, 2012, the Corporation has continued to use the Option Plan to grant options to various individuals who are in a position to contribute to the success and growth of the Corporation.

Under the Option Plan, the Board may grant options to directors, officers, employees or consultants of the Corporation (or an affiliate), entitling the holders thereof to acquire, together with shares reserved for issuance pursuant to any other security based compensation arrangements of the Corporation, up to 15% of the total number of issued and outstanding Common Shares from time to time (calculated on a non-diluted basis). If any option granted under the Option Plan is exercised or expires or terminates without having been exercised, the number of Common Shares to which such option relates will be available for the purpose of future options granted under the Option Plan. For greater clarity, notwithstanding the "reloading" of any such exercised, terminated or expired options under the Option Plan, the number of Common Shares available to be issued pursuant to the exercise of options outstanding under the Option Plan, and any other security based compensation arrangements, at any point in time may not exceed 15% of the number of issued and outstanding Common Shares.

Under the terms of the Option Plan, the period during which an option may be exercised is not permitted to exceed ten years from the date such option was granted, provided, that if a self-imposed black-out period (which has the effect of restricting certain option-holders from exercising their options) has been imposed and the expiry date of any option falls within that black-out period or five business days thereafter, the options issued under the Option Plan expire on the later of: (i) the expiry date of the affected options; or (ii) the date that is 10 business days following the end of such black-out period. The maximum number of Common Shares reserved for issuance to insiders of the Corporation under the Option Plan, when combined with the number of Common Shares issuable to insiders pursuant to any other security based compensation arrangement, may not exceed 10% of the outstanding Common Shares. In addition, the number of Common Shares that may be issued to insiders under the Option Plan, when combined with the number of Common Shares issuable to insiders pursuant to any other security based compensation arrangement, within a one year period, may not exceed 10% of the outstanding Common Shares at any time. The aggregate number of Common Shares issuable to any one officer, director or full time employee of the Corporation (or an affiliate), when combined with the number of Common Shares issuable to insiders pursuant to any other security based compensation arrangement, may not exceed 5% of the total number of issued and outstanding Common Shares. The price at which Common Shares may be acquired upon the exercise of an option is determined with reference to the closing price of the common shares on the trading day immediately prior to the date of grant, or with reference to a five day or 10 day average trading price, and in the event the Corporation's shares are not then listed on any exchange, a price determined by the Board in good faith. No options may be granted under the Option Plan at an exercise price representing a discount to the market price of the Common Shares.

Subject to certain restrictions set out in the Option Plan, the Board of Directors is authorized to provide for the granting of options and the exercise price and method of exercise of options granted under the Option Plan, as well as the term of each option granted. The Board of Directors has discretion over the vesting of any option granted under the Option Plan.

Options granted under the Option Plan are generally non-assignable. Such options are subject to early termination in the event of the death or disability of a participant or in the event a participant otherwise ceases to be an officer, director, employee or consultant of the Corporation (or an affiliate), as the case may be.

As at the effective date of this Information Circular, there were 31,355,000 Common Shares issuable upon the exercise of options outstanding under the Option Plan, representing approximately 15% of the Corporation's issued and outstanding Common Shares. No financial assistance is provided in connection with the Option Plan, however the Option Plan does contain cashless exercise provisions, under which the Board may determine to permit Options to be surrendered, unexercised, to the Corporation in consideration of the receipt by the holder of such Options of a Settlement Amount equal to the amount, if any, by which the aggregate fair market value of the Common Shares (immediately preceding the surrender date) that may be purchased pursuant to the vested and exercisable portion of such Options on the date of surrender, exceeds

the aggregate exercise price for those Common Shares. The Settlement Amount is payable in cash, Common Shares or a combination thereof as the Board of Directors may determine.

The Option Plan provides that the Board may amend the Option Plan or, with the option holders' consent, an option granted under the Option Plan at any time and from time to time without Shareholder approval, for any reason except for those changes for which the Option Plan specifically requires Shareholder approval. For example, the Board has the power and authority to approve amendments relating to the Plan or Options, without approval of the Shareholders, to the extent that such amendment:

- (a) is for the purpose of curing any ambiguity, error or omission in the Option Plan or to correct or supplement any provision of the Option Plan that is inconsistent with any other provision of the Option Plan;
- (b) is necessary to comply with applicable law or the requirements of any stock exchange on which the Common Shares are listed;
- (c) is an amendment to the Option Plan respecting administration and eligibility for participation under the Option Plan;
- (d) changes the terms and conditions on which Options may be or have been granted pursuant to the Option Plan including changes to the vesting provisions and Option term;
- (e) changes the termination provisions of an Option or the Option Plan in a manner that does not entail an extension beyond the original expiry date; or
- (f) is an amendment to the Option Plan of a "housekeeping nature".

The Option Plan currently requires Shareholder approval for the following changes to the Option Plan or Options granted under it:

- (g) increasing the number of the Options issuable pursuant to the Option Plan;
- (h) adding any form of financial assistance by the Corporation for the exercise of any Option;
- (i) any amendment resulting in a material or unreasonable dilution in the number of outstanding Common Shares or any material benefit to a participant under the Option Plan;
- (j) changing the class of eligible participants to the Option Plan in a manner that would have the potential of broadening or increasing participation by insiders of the Corporation; or
- (k) reducing the exercise price for Options granted to insiders or to extend the terms of Options granted to insiders.

Available Options Pursuant to the Option Plan

The following table sets out information concerning compensation plans under which equity securities of the Corporation were authorized for issuance as at December 31, 2012:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-Average exercise price of outstanding options warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))⁽¹⁾ (c)
Equity compensation plans approved by securityholders	29,260,000	\$0.06	1,042,627
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	29,260,000	\$0.06	1,042,627

Note:

(1) As at December 31, 2012, the number of Common Shares issued and outstanding was 202,017,514.

Options Granted During the Financial Year Ended December 31, 2012

The following table sets out information concerning options granted to the Named Executive Officers during the financial year ended December 31, 2012, under the Option Plan:

Name	Securities Under Options Granted (#)	Percent of Total Options Granted to Employees in 2012	Exercise Price (\$/Security)	Expiration Date
Michael Durance ⁽¹⁾ Chief of Corporate Strategy and Development	1,000,000	4%	0.095	January 6, 2017
	2,000,000	7%	0.025	September 28, 2017
Alex Pekurar ⁽²⁾ Chief Financial Officer	50,000	0%	0.095	January 6, 2017
	1,000,000	4%	0.025	September 28, 2017
Tony Philipp ⁽³⁾ Senior Vice President of Mobile	750,000	3%	0.095	January 6, 2017
	100,000	0%	0.050	January 7, 2017
	1,000,000	4%	0.025	September 28, 2017
Gene Cohen ⁽⁴⁾ Senior Vice President of Operations and Chief Technology Officer	218,750	1%	0.095	January 6, 2017
	900,000	3%	0.095	January 6, 2017
	50,000	0%	0.050	January 7, 2017
	1,000,000	4%	0.025	September 28, 2017

Notes:

- (1) Mr. Durance was appointed as Chief Executive Officer on June 27, 2005 and resigned as Chief Executive Officer and was appointed Chief of Corporate Strategy and Development effective January 7, 2013.
- (2) Mr. Pekurar was controller of the Corporation from January 10, 2011 to October 1, 2012. On October 1, 2012, Mr. Pekurar was appointed Chief Financial Officer of the Corporation
- (3) Mr. Philipp was appointed Senior Vice President of Mobile Advertising on October 1, 2012.
- (4) Mr. Cohen was appointed Senior Vice President of Operations and Chief Technology Officer on October 1, 2012.

Aggregated Option Exercises During the Financial Year Ended December 31, 2012

No options were exercised by the Named Executive Officers during the financial year ended December 31, 2012.

Summary of ESPP

At a Special Meeting of the Shareholders held October 24, 2008, the Shareholders of the Corporation approved an employee share purchase plan (the "**ESPP**" or the "**Purchase Plan**"). At the annual general meeting of the Shareholders held in 2011, the Shareholders ratified and confirmed the terms of the ESPP. Pursuant to the ESPP, all employees of the Corporation (the "**Participants**") are eligible to participate. A Participant's right to participate in the ESPP is non-transferable. Under the terms of the ESPP, each Participant who wishes to acquire Common Shares in lieu of not less than one percent and not greater than twenty percent (the "**Elected Portion**") of the dollar amount otherwise payable to them as gross base salary in a year (the "**Annual Amount**") must provide written notice to such effect (the "**Payment Notice**") to the administrator of the Purchase Plan (the "**Purchase Plan Administrator**") prior to January 10 of such calendar year.

The Common Shares to be issued pursuant to the Purchase Plan may be issued from the treasury of the Corporation, or may be purchased in the market by the Purchase Plan Administrator on behalf of each Participant who delivers a Payment Notice pursuant to the Purchase Plan. The Board will, from time to time, provide direction to the Purchase Plan Administrator as to whether Common Shares are to be issued from the treasury of the Corporation or purchased in the market by the Purchase Plan Administrator.

If Common Shares are to be issued to a Participant from the treasury of the Corporation following the delivery of a Payment Notice, the number of Common Shares issued to the Participant will be equal to the Elected Portion of the Annual Amount otherwise payable to such Participant for the 12 month period commencing on January 1 of such year (or such lesser amount as may be designated by the Participant in the applicable Payment Notice), divided by 85% of the Current Market Price as of the date the applicable Payment Notice is received by the Purchase Plan Administrator, unless such discount would represent an amount less than the maximum permitted discount under the rules of any applicable stock exchange, in which case, such maximum permitted discount will be used. Common Shares will be issued under the Purchase Plan quarterly to the Participant on the last day of March, June, September and December of the applicable calendar year or on the earliest practicable date thereafter.

All withholding taxes required to be remitted by the Corporation in respect of that portion of the Annual Amount for which a Participant receives Common Shares issued from the treasury the Corporation are deducted from the Annual Amount otherwise payable to the Participant, provided that if such Annual Amounts are not sufficient to pay such withholding taxes, the shortfall is required to be reimbursed to the Corporation by the Participant upon request.

If Common Shares are to be purchased on behalf of a Participant in the market, the Corporation will, on the last day of the months of March, June, September and December of the applicable calendar year, or on the earliest practicable date thereafter, pay to the Purchase Plan Administrator the Elected Portion of the Annual Amount that would otherwise be paid to the Participant on such date plus 15% of such amount, less applicable withholding taxes. The Purchase Plan Administrator will establish a record-keeping account for the applicable Participant and will record, in respect of such account, all amounts received by the Purchase Plan Administrator from the Corporation to fund the purchase of Common Shares on behalf of the Participant, the number of Common Shares purchased for the benefit of the Participant and the amount of any expenses incurred in connection with the acquisition of Common Shares on behalf of the Participant. As soon as reasonably practicable following the receipt of funds from the Corporation pursuant to the ESPP, the Purchase Plan Administrator will use such funds to purchase, through the facilities of the TSX (or other exchange on which the Common Shares are then listed) and utilizing the services of a brokerage firm

selected by the Purchase Plan Administrator, the maximum number of Common Shares that may then be acquired with such funds, after deducting commissions and other applicable charges associated with such transaction.

Shares Subject to the ESPP

The maximum number of Common Shares issuable under the Purchase Plan may not exceed such number as represents 10% of the issued and outstanding Common Shares of VoodooVox from time to time. The number of Common Shares issuable under the ESPP is subject to adjustment, as appropriate, to reflect any reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, issuance of rights or any other change in the capital structure of VoodooVox.

Duration, Termination and Amendment

The ESPP may be terminated at any time by the Board of Directors. A Participant may withdraw at any time and all of a Participant's rights under the ESPP will terminate when he or she ceases to be an eligible Participant due to retirement, resignation, death, termination or otherwise failing to continue to meet the eligibility requirements. A notice of withdrawal will be deemed to have been received from a Participant on the day of his or her final payroll deduction. If a legal process interrupts a Participant's payroll deductions, a withdrawal notice will be deemed as having been received on the day the interruption occurs. Purchases pursuant to the ESPP commenced in 2009 and continued to the date of this Information Circular.

Termination and Change of Control Benefits Employment Contracts

Michael Durance

Mr. Michael Durance, Chief Executive Officer from June 27, 2005 until January 7, 2013, is employed pursuant to a written employment contract. Mr. Durance is eligible to participate in any bonus or incentive program that may be instituted by the Corporation. Mr. Durance is entitled to a lump sum payment equal to \$300,000 in the event of his termination or constructive dismissal following a change of control of the Corporation.

Alex Pekurar

Mr. Alex Pekurar, Chief Financial Officer of the Corporation as of October 1, 2013, is employed pursuant to a written employment contract. Mr. Pekurar is eligible to participate in any bonus or incentive program that may be instituted by the Corporation. Mr. Pekurar is entitled to a lump sum payment equal to \$60,000 in the event of his termination or constructive dismissal following a change of control of the Corporation.

Tony Philipp

Mr. Tony Philipp, Senior Vice President of Mobile Advertising of the Corporation as of October 1, 2013, is employed pursuant to a written employment contract. Mr. Philipp is eligible to participate in any bonus or incentive program that may be instituted by the Corporation. Mr. Philipp has no special provisions in the event of his resignation, termination or constructive dismissal following a change of control of the Corporation.

Gene Cohen

Mr. Gene Cohen, Senior Vice President of Operations and Chief Technology Officer of the Corporation as of October 1, 2013, is employed pursuant to a written employment contract. Mr. Cohen is

eligible to participate in any bonus or incentive program that may be instituted by the Corporation. Mr. Cohen has no special provisions in the event of his resignation, termination or constructive dismissal following a change of control of the Corporation.

Compensation of Directors

The following table sets out information concerning the compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation to the directors of the Corporation during the financial year ended December 31, 2012, excluding Mr. Durance who is a Named Executive Officer. Mr. Durance received no compensation in his capacity as a director of the Corporation during the 2012 calendar year.

The aggregate remuneration paid to the directors of the Corporation during the financial year ended December 31, 2012 was Nil.

Name	Director's Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	All other compensation ⁽²⁾ (\$)	Total Compensation (\$)
Micky Tsui ⁽³⁾	Nil	Nil	7,026	Nil	7,026
S. Graeme Ross	Nil	Nil	13,768	Nil	13,768
Nancy Shemwell	Nil	Nil	13,738	Nil	13,738
Richard DeVries ⁽⁴⁾	Nil	Nil	15,440	Nil	15,440
Daniel Gatti ⁽⁵⁾	Nil	Nil	6,711	Nil	6,711
Nicholas P. Fader ⁽⁶⁾	Nil	Nil	10,225	Nil	10,225

Notes:

- (1) Calculated using the Black Scholes option pricing model, assuming a risk free interest rate of 1.0%, dividend yield of 0%, expected volatility of 119% and an expected life of 3.00 years. The Corporation uses the Black Scholes option pricing model to calculate the grant date fair value of options granted to Named Executive Officers and directors, as the Black Scholes model is commonly used by other issuers to calculate the value of options and is an acceptable model to estimate the "cost" of options for financial statement purposes.
- (2) Perquisites and other personal benefits received by the Directors did not exceed the lesser of \$50,000 and 10% of any such executive officer's total annual salary.
- (3) Micky Tsui was appointed Chairman of the Board and a director effective October 1, 2012.
- (4) Richard DeVries resigned as Chairman of the Board and a director of the Corporation effective October 1, 2012.
- (5) Daniel Gatti resigned as a director of the Corporation effective September 4, 2012.
- (6) Nicholas Fader resigned as a director of the Corporation effective July 31, 2012.

Incentive Plan Awards

The following table sets out information concerning all option-based awards outstanding at December 31, 2012, for the directors of the Corporation, excluding Mr. Durance who is a Named Executive Officer. Mr. Durance received no compensation in his capacity as a director of the Corporation during the year-ended December 31, 2012.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Micky Tsui ⁽¹⁾	50,000 1,500,000	0.105 0.010	October 18, 2015 November 2, 2017	Nil Nil
S. Graeme Ross	235,000 75,000 75,000 100,000 1,500,000	0.150 0.185 0.150 0.095 0.010	February 25, 2014 February 10, 2015 February 4, 2016 January 6, 2017 November 2, 2017	Nil Nil Nil Nil Nil
Nancy Shemwell	150,000 75,000 75,000 100,000 1,500,000	0.150 0.185 0.150 0.095 0.010	February 25, 2014 February 10, 2015 February 4, 2016 January 6, 2017 November 2, 2017	Nil Nil Nil Nil Nil
Richard DeVries ⁽²⁾	150,000 75,000 250,000 150,000 500,000 500,000	0.150 0.185 0.150 0.095 0.050 0.010	February 25, 2014 February 10, 2015 February 4, 2016 January 6, 2017 June 7, 2017 November 2, 2017	Nil Nil Nil Nil Nil Nil
Nicholas P. Fader ⁽³⁾	150,000 75,000 75,000 100,000 500,000	0.150 0.185 0.150 0.095 0.010	February 25, 2014 February 10, 2015 February 4, 2016 January 6, 2017 November 2, 2017	Nil Nil Nil Nil Nil
Daniel Gatti ⁽⁴⁾	Nil	N/A	N/A	N/A

Notes:

- (1) Micky Tsui was appointed Chairman of the Board and a director effective October 1, 2012.
- (2) Richard DeVries resigned as Chairman of the Board and a director of the Corporation effective October 1, 2012. Mr. DeVries remains an advisor to the Corporation.
- (3) Nicholas Fader resigned as a director of the Corporation effective July 31, 2012. Mr. Fader remains an advisor to the Corporation.
- (4) Daniel Gatti resigned as a director of the Corporation effective October 1, 2012.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

The Board of Directors has established a compensation committee (the "**Compensation Committee**") and a governance and nominating committee (the "**Corporate Governance and Nominating Committee**"). The Corporation does not have an executive committee.

Corporate Governance Disclosure

Securities regulatory authorities in all of the provinces and territories of Canada have adopted National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). Disclosure of governance practices is required in accordance with NI 58-101.

A summary of the Corporation's existing corporate governance practices is attached to this Information Circular as Schedule "A".

Board Committees and Their Mandates

Audit Committee

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as disclosed by Form 52-110F2 attached to this Information Circular as **Schedule "B"**.

The Audit Committee's primary duties and responsibilities are to: (i) serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements; (ii) review and appraise the performance of the Corporation's external auditors; and (iii) provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors. The Audit Committee reports its deliberations and discussions regularly to the Board and submits to the Board the minutes of its meetings.

The Audit Committee consists of Micky Tsui (Chairman), S. Graeme Ross and Nancy Shemwell. All members of the Audit Committee are "financially literate" as that term is defined in NI 52-110 and "independent" as that term is defined in NI 52-110.

The Chairman of the Audit Committee, in consultation with the Audit Committee members, determines the schedule and frequency of the Audit Committee meetings provided that the Audit Committee will meet at least four (4) times in each fiscal year and at least once in every fiscal quarter. The Audit Committee has the authority to convene additional meetings as circumstances require. A schedule for each of the meetings is disseminated to Audit Committee members prior to the start of each fiscal year. An agenda for each meeting is disseminated to Audit Committee members as far in advance of each meeting as is practicable.

Compensation Committee

The Compensation Committee consists of S. Graeme Ross (Chairman), Micky Tsui and Nancy Shemwell, all being independent directors. The Compensation Committee is responsible for reviewing the Corporation's compensation and incentive programs. The Compensation Committee is responsible for assessing senior management's performance and recommending senior management compensation to the Board. The Compensation Committee reviews the adequacy and form of directors' compensation and makes recommendations designed to ensure that directors' compensation adequately reflects the responsibilities of the Board. The Compensation Committee also administers the Option Plan and makes recommendations to the Board respecting grants of options thereunder.

Further information regarding the Compensation Committee's responsibilities, powers and operation of the Compensation Committee are set out above under the section entitled "*Statement of Executive Compensation - Compensation Discussion and Analysis*" and **Schedule "A"**.

The Corporation believes that each of the members of the Compensation Committee possess the skills and experiences that enable the member to make decisions on the suitability of the compensation policies and practices of the Corporation as set out below.

Micky Tsui

Mr. Tsui founded White Horse Partners, LLC to provide management support and advice to innovative small and medium-sized applications software and communications companies in North America, and to provide business development in Asia. Mr. Tsui has more than 30 years' experience in the communications and software industries. He was most recently the senior vice president and general manager, Enterprise Solutions at Nuance Communications, Inc., managing both on-premises and hosting/SaaS businesses for speech self-service solutions for contact centers. Prior to that, he held various executive management positions with Avaya Inc., including its Unified Communications Solutions Division; the Global Communications Solutions Group; and Converged Communications Solutions Group. Mr. Tsui began his career with Nortel Networks in communications network planning and optimization. He held positions of increasing responsibility, including strategic planning, product management and research and development. He was the vice president and general manager of Internet Telephony at Nortel before going to Avaya.

S. Graeme Ross

Mr. Ross is President and a Director of Bovinia Inc., a consulting company engaged in activities relating to corporate management, technology, telecommunications and information systems, since May 1993. Mr. Ross is also a financial adviser with Dundee Wealth in St. Catherines, Ontario and has acted in that capacity since September 2009. Mr. Ross was formerly President, Chief Executive Officer and a Director of Peartree Software Inc., a software company that develops and sells software used in the automotive parts manufacturing industry. Mr. Ross has also served as a Director of Glenbriar Technologies Inc. and of Smartcardsolutions.com Ltd., both TSX listed companies.

Nancy Shemwell

Ms. Shemwell, Executive Vice President of Global Sales at Extreme Networks Inc., leads the sales and channel management teams across the company's global regions focused on expanding and establishing new paths to the cloud, data center, enterprise campus and mobility markets. In this role, Ms. Shemwell leverages Extreme Networks' technology leadership in high-performance Ethernet switching around the world and her 20 year track record of driving high performance transformational global sales forces.

Ms. Shemwell has previously held a variety of senior positions with global business responsibilities including assignments in Europe and North America. Her experience covers a broad spectrum of general management, sales and marketing roles in rapidly developing markets. Previous positions include that of President and CEO of Multi-Link, President and CEO Jovial Test Equipment, EVP at Symmetricom and a 16 year career with Nortel Networks where she held titles of President, Micom Communications Corporation (a Nortel subsidiary), Vice President Business Segments, Vice President Sales and Marketing Wiltel (Nortel's largest enterprise distributor) and Director Marketing for Europe, Middle East and Africa.

Ms. Shemwell holds a Bachelor of Business Administration from Baylor University and a Master of Science in Business Administration from the American Technological University.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee assists the Board of Directors by: (i) developing, reviewing and planning the Corporation's approach to corporate governance issues, including developing a set of corporate governance principles and guidelines specifically applicable to the Corporation; (ii) identifying and recommending to the Board of Directors potential new nominees to the Board of Directors; (iii) monitoring management's succession plan for the CEO and other senior management; and (iv) overseeing enforcement of and compliance with the Corporation's proposed Code of Business Conduct. The members of the Corporate Governance and Nominating Committee are Nancy Shemwell (Chairman), S. Graeme Ross and Micky Tsui, each of the foregoing being independent directors as defined in NI 52-110. The Corporate Governance and Nominating Committee held four (4) formal meetings during fiscal 2012. For additional details with respect to the role of the Corporate Governance and Nominating Committee, see Schedule "A".

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

At December 31, 2012, directors and officers of the Corporation hold \$355,000 of debentures and a 10% Holder holds \$850,000 of debentures that were purchased between 2009 and 2012. During the year ended December 31, 2012, directors and officers received \$6,218 and a 10% Holder received \$39,534 of interest in accordance with the terms of the applicable debt instruments.

During the year ended December 31, 2012, the Corporation recorded \$171,493 (\$98,433 in 2011) of general and administrative expenses for transactions with entities controlled or influenced by the Corporation's officers or directors, which transactions were entered into in the normal course of operations.

As part of the March 1, 2012 financing of the Corporation, officers and directors of the Corporation purchased 95 debentures, each debenture with a denomination of \$1,000. As part of the June 2012 financing, a former director purchased 45 units, each unit with a denomination of \$1,000. As part of the September 19, 2012 private placement, one officer purchased 50 units, each unit with a denomination of \$1,000. As part of the November 30, 2012 private placement, one officer and one director purchased 50 units and a 10% Holder purchased 50 units, each unit with a denomination of \$1,000. During the year ended December 31, 2012, the Corporation completed \$5.3 million in debt financings. Performance by the Corporation of its obligations under the applicable debentures is secured, in part, by personal assets owned by a former director. A committee of independent Board members determined that it would be appropriate for the Corporation to provide compensation to the former director for the provision of this additional security and formulated recommendations in that regard for further consideration by the full Board of Directors. The Board of Directors approved the transfer of 218,333 common shares of a private company that VoodooVox had received in the fourth quarter of 2011 and 405,000 Common Shares to the former director and committed to provide an additional 1,595,000 Common Shares. These additional shares were issued in 2013, along with an additional 275,000 common shares of that private company.

During the second quarter of 2012, the Corporation received 750,000 shares of the same private

company as settlement for amounts owing under and cancellation of, a license and maintenance contract. The same former director has significant ownership in this private company and helped facilitate the settlement process.

Other than the foregoing, there are no material interests, direct or indirect, of any director, executive officer, person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years, or during the current financial year, that has materially affected or is reasonably expected to materially affect the Corporation. Other than the foregoing, and except as otherwise disclosed in this Information Circular, no informed person¹ and no person nominated for election as a director of the Corporation (nor any associate or affiliate of any such person) had any material interest, direct or indirect, in any transaction undertaken since January 1, 2012 that was not negotiated at arm's length and that has materially affected the Corporation, and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

EFFECTIVE DATE

Except as otherwise specified, the information set out in this Information Circular is provided as of May 13, 2013.

ADDITIONAL INFORMATION

Additional information relating to VoodooVox is available through the Internet at the website of the Canadian System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed at www.sedar.com. Financial information of VoodooVox is provided in the financial statements and MD&A of VoodooVox for the year ended December 31, 2012. Copies of the financial statements and related MD&A may be obtained from the Chief Financial Officer of VoodooVox at 100 Consilium Place, Suite 200 Toronto, Ontario M1H 3E3, or by facsimile at (416) 291-5377.

Dated as of the 13th day of May, 2013.

**BY ORDER OF THE BOARD OF DIRECTORS OF
VOODOOVOX INC.**

"George Cooney"

GEORGE COONEY

Chief Executive Officer and Director

¹ "Informed Person" means a director or executive officer of the Corporation (or of a person or company that is itself an informed person or the Corporation), any person who beneficially owns or controls or directs, directly or indirectly, voting securities of the Corporation carrying greater than 10% of the voting rights attached to all outstanding voting securities, and the Corporation itself, if it holds any of its own securities.

SCHEDULE "A"

VOODOOVOX INC.

Statement of Corporate Governance Practices

Disclosure Requirement

VoodooVox Corporate Governance Practices

Board of Directors

- | | | |
|----|--|--|
| 1) | Disclose the identity of directors who are independent. | Micky Tsui, Graeme Ross and Nancy Shemwell are considered independent, within the meaning of Section 1.4 of National Instrument 52-110 <i>Audit Committees</i> (" NI 52-110 "), in that none of them has any relationship that could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of his independent judgment. |
| 2) | Disclose the identity of directors who are not independent, and describe the basis for that determination. | George Cooney is not considered independent within the meaning of Section 1.4 of NI 52-110. George Cooney is the Chief Executive Officer of the Corporation. |

Directorships

- | | | |
|----|--|--|
| 3) | If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer. | No existing directors are also directors of the any other reporting issuers. |
|----|--|--|

Ethical Business Conduct

- | | | |
|----|---|--|
| 4) | Describe what other steps the board takes to encourage and promote a culture of ethical business conduct. | <p>The Board has adopted a written Code of Business Conduct (the "Code").</p> <p>The Code has been filed on SEDAR and is available at www.sedar.com.</p> |
|----|---|--|

It is the intention of the Board to monitor compliance with the Code through the Corporation's existing accounting and internal control irregularity policy, which provides a procedure for the submission of information by persons on a confidential basis.

Directors who have, or may reasonably be perceived to have, a personal interest in a transaction or agreement being contemplated by or involving the Corporation are required to declare such interest at any meeting of the Board of Directors at which the matter is considered and to refrain from voting on such matter. If required, an independent committee may be formed to consider such matters, in the absence of interested directors, and make recommendations to the

Board.

The Corporation distributes a copy of the Code to each new employee. The Board has implemented an accounting and internal control irregularity policy, also known as a "whistleblower policy". In addition, the Chief Executive Officer and Chief Financial Officer of the Corporation reinforce expectations in meetings with corporate personnel and during site visits.

Nomination of Directors

- 5) Disclose what steps, if any, are taken to identify new candidates for board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.

The Board has a Corporate Governance and Nominating Committee currently composed of three directors, all of whom are independent, within the meaning of Section 1.4 of NI 52-110.

The Governance and Nominating Committee acts as a nominating committee to consider if and when new individuals are to be proposed for election/appointment to the Board, having regard to the competencies, skills and personal qualities of the candidates and existing members of the Board.

The Board has adopted a written charter for the Corporate Governance and Nominating Committee. That Charter provides that the Committee has responsibility for: (i) considering the membership needs of the Board of Directors and its committees, reviewing, from time to time, the composition of the Board of Directors and its committees and, as considered appropriate, making recommendations to the Board as to its size and the membership of its committees and the skills and competencies required of Board and committee members to promote effective and efficient decision-making; (ii) evaluating the various committees established by the Board of Directors and their respective charters, evaluating the performance of the chairman of each Board committee and reporting to the Board the results of such evaluations; (iii) assessing the effectiveness of the Board of Directors as a whole, the committees of the Board and the contributions of individual directors; (iv) considering and, where appropriate, approving requests from directors or committees of directors respecting the engagement of special advisers; and (v) annually reviewing and reporting to the Board of Directors with respect to the adequacy of the Charter of the Corporate Governance and Nominating Committee. The Charter of the Corporate Governance and Nominating Committee also provides for a number of administrative matters, including the quorum for meetings of the Committee and the engagement of independent counsel and other advisors to assist the Committee in its deliberations.

Compensation

- 6) Disclose what steps, if any, are taken to determine compensation for the directors and Chief Executive Officer, including: (i) who determines compensation, and (ii) the process of determining compensation.

The Board has a compensation committee (the "**Compensation Committee**") currently composed entirely of directors who are independent, within the meaning of Section 1.4 of NI 52-110.

The Compensation Committee, in conjunction with the Board, periodically reviews the base salary and other compensation of the Corporation's Chief Executive Officer, keeps itself apprised of non-CEO officer compensation and provides the Chief Executive Officer (who has responsibility for establishing the terms of employment of officers other than himself) with such advice and direction as may be solicited by the Chief Executive Officer or as the Compensation Committee may consider appropriate in relation to non-CEO officer compensation. In addition, the Compensation Committee makes recommendations to the Board relating to director compensation, and following consideration of such recommendations, the Board determines director compensation.

The Board has adopted a written charter for the Compensation Committee. That Charter provides that the Compensation Committee has responsibility for: (i) annually reviewing the compensation policies and guidelines for the Corporation and, if the Compensation Committee considers any changes to such policies and guidelines to be appropriate, recommending such changes to the Board for its consideration; (ii) reviewing the base salary and other compensation of the Corporation's Chief Executive Officer, keeping itself apprised of non-CEO officer compensation and providing to the Chief Executive Officer (who has responsibility for establishing the terms of employment of officers other than himself) such advice and direction as may be solicited by the Chief Executive Officer or as the Committee may consider appropriate in relation to non-CEO officer compensation; (iii) annually conducting performance appraisals of the Chief Executive Officer and such other executive management as the Compensation Committee may determine, and reporting to the Board the results of such performance appraisals; (iv) annually reviewing the Corporation's executive incentive and benefit plans, bonus plans and security-based compensation arrangements, and, if the Compensation Committee considers any changes to such plans and arrangements to be appropriate, recommending such changes to the Board for its consideration; (v) reviewing management's reports to the Compensation Committee on human resources; (vi) reviewing the executive compensation disclosure contained in any management information circular to be forwarded to securityholders of the Corporation and, if the Compensation Committee considers such disclosure to be appropriate, recommending approval of such disclosure to the Board; (vii) annually reviewing the compensation arrangements established for the benefit of directors of the Corporation and the Chairman of the Board and, if the Compensation Committee considers any changes to such arrangements to be appropriate, recommending such changes to the Board for its consideration; (viii) reviewing any management contracts, change of

control agreements, indemnity agreements, and significant consulting contracts and making recommendations to the Board respecting the results of such review; and (ix) annually reviewing and reporting to the Board on the adequacy of the Compensation Committee Charter.

No consultants or advisors were retained during the 2012 financial year for the purpose of assisting the Board with determining Board or management compensation.

Other Board Committees

- 7) If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board has no other standing committees.

Assessments

- 8) Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Board has implemented procedures to assess the Board and individual directors. Such assessments are to be carried out under the direction of the Corporate Governance and Nominating Committee, which is to report its findings to the Board.

Schedule "B"

FORM 52-110F2 AUDIT COMMITTEE DISCLOSURE

1. The Audit Committee's Charter

The Corporation's Audit Committee Charter is attached hereto as Exhibit 1.

2. Composition of the Audit Committee

The audit committee of the Corporation (the "**Audit Committee**") consists of as many members as the board of directors (the "**Board**") shall determine, but in any event not fewer than three (3) members who are appointed by the Board. The composition of the Audit Committee shall meet all applicable independence, financial literacy and other legal and regulatory requirements. The majority of the members of the Audit Committee shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee, and at least one (1) member shall have "accounting or related financial experience". For the purposes of the Audit Committee's terms of reference, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The Board has appointed Micky Tsui (Chairman), S. Graeme Ross and Nancy Shemwell as members of the Audit Committee. All members of the Audit Committee are "financially literate" as that term is defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") and are "independent" as that term is defined in NI 52-110.

3. Relevant Education and Experience

Name	Independent of the Corporation	Financially Literate	Relevant Education and Experience
Micky Tsui	Yes	Yes	Mr. Tsui has run White Horse Partner, LLP, a business management and consulting company, since July 2010. Between Oct 2009 and May 2010, Mr. Tsui served as Senior Vice President and General Manager of Nuance Communications. Between Dec 2000 and Dec 2008, Mr. Tsui served as Senior Vice President and General Manager of Avaya.
S. Graeme Ross	Yes	Yes	Mr. Ross has been President and Director of Bovinia Inc. (a private consulting company) since 1993. Since September, 2009, Mr. Ross has been a financial advisor with Dundee Wealth in St. Catherines, Ontario.
Nancy Shemwell	Yes	Yes	Ms. Shemwell is currently Executive Vice President of Global Sales of Extreme Networks, a technology leader in high-performance Ethernet switching for cloud, data center and mobile networks. Between May of 2009 and February of 2011, Ms. Shemwell served as President and CEO of Multi-Link, Inc., a manufacturer of linesharing and remote power rebooting equipment.

4. Audit Committee Oversight

The Audit Committee has not made a recommendation to the Board of Directors to nominate or compensate an external auditor that has not been adopted by the Board.

5. Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions contained in Section 2.4 (*De Minimis Non-audit Services*) or Section 8 (*Exemptions*) of NI 52-110.

Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed five percent (5%) of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

6. Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

7. External Auditor Service Fees (By Category)

The aggregate fees charged to the Corporation by the external auditors for last two fiscal years are as follows:

Nature of Services	Fees Paid to Auditor in Year-ended December 31, 2011	Fees Paid to Auditor in Year-ended December 31, 2012
Audit Fees ⁽¹⁾	\$150,000	\$75,000
Audit-Related Fees ⁽²⁾	\$Nil	\$Nil
Tax Fees ⁽³⁾	\$Nil	\$Nil
All Other Fees ⁽⁴⁾	\$50,000	\$Nil
Total	\$200,000	\$75,000

Notes:

⁽¹⁾ "Audit Fees" include fees necessary to perform the annual audit and any quarterly reviews of the Corporation's financial statements. This includes fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements. This also includes audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

⁽²⁾ "Audit-Related Fees" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and that are not included in "Audit Fees".

⁽³⁾ "Tax Fees" include fees for professional services rendered by the Corporation's auditors for tax compliance, tax advice and tax planning.

⁽⁴⁾ "All Other Fees" include fees for products and services provided by the Corporation's auditors other than the services included in "Audit Fees", "Audit-Related Fees" and "Tax Fees".

8. Exemption

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Exhibit "I"

Audit Committee Charter

1. PURPOSE

- (a) The primary function of the Audit Committee (the "**Committee**") is to assist the Board in fulfilling its responsibilities relating to the integrity of the Corporation's financial statements including the financial reporting process and systems of internal controls, the compliance by the Corporation with legal and regulatory requirements and the qualifications, performance and independence of the Corporation's external auditor by reviewing:
 - 1. the financial information that will be provided to the shareholders and others;
 - 2. the systems of internal controls management and the Board have established; and
 - 3. all audit processes.
- (b) Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Corporation is vested in management and is overseen by the Board. While the Committee has the responsibilities and powers set forth in these terms of reference, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles. These are the responsibilities of management and the external auditor. Nor is it the duty of the Committee to conduct investigations, to resolve disagreements, if any, between management and the external auditor or to assure compliance with laws and regulations.

2. COMPOSITION AND OPERATIONS

- (a) The Committee shall be composed of not fewer than three directors and not more than five directors, none of whom shall be officers or employees of the Corporation or any of its subsidiaries. The Committee shall only be comprised of unrelated directors. In addition, the Committee shall meet the requirements of the *Business Corporations Act* (Alberta) and the CNSX with respect to the composition of audit committees. The Committee shall have a Chairman, who is a full member of the Committee, and who is appointed by the Board. The Chairman shall have a casting vote in the event of a tie on the Committee.
- (b) The Corporation's auditors shall be advised of the names of the committee members and when appropriate will receive notice of and be invited to attend meetings of the Audit Committee, and to be heard at those meetings on matters relating to the Auditor's duties.
- (c) The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of the Board or shareholders.
- (d) The Committee shall meet at least four times each year.
- (e) The Committee has access to the Corporation's senior management and documents as required to fulfill its responsibilities and is provided with the resources necessary to carry out its responsibilities.
- (f) The Committee provides open avenues of communication among management, employees, external and internal auditors and the Board.

- (g) The secretary to the Committee shall be either the Corporate Secretary or his/her delegate.
- (h) Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by other electronic means to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

A member may, in any manner, waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice.

- (i) A majority of the voting membership of the Committee present in person or by telephone or other electronic telecommunication device shall constitute a quorum.
- (j) The CEO, Board Chair and CFO would be expected to be available to attend meetings or portions thereof.

The external auditors would meet at least twice annually with the Committee and would be expected to be available to attend meetings or portions thereof as requested by the Committee.

The Committee may, by specific invitation, have other resource persons in attendance to assist in the discussion and consideration of matters relating to the Audit Committee.

The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

- (k) Minutes of Committee meetings shall be approved by the Committee Chair and maintained at Head Office by the Committee Secretary or designate. Minutes of Committee Meetings shall be sent to all Directors of the Board.

3. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will perform the following duties:

(a) Financial Statements and Other Financial Information

The Committee will review and recommend for approval to the Board financial information that will be made publicly available. This includes:

1. review and recommend approval of the Corporation's annual financial statements and MD&A and report to the Board of Directors before the statements are approved by the Board of Directors;
2. review and approve for release the Corporation's quarterly financial statements, MD&A and press release;
3. review and approve for release all earnings press releases, press releases containing other financial information and any earnings or other financial performance guidance provided to analysts or rating agencies;
4. review and recommend to the Board for approval, the financial content of the annual report and any reports required by government or regulatory authorities;

5. review the Annual Information Form and any Prospectus/Private Placement Memorandums; and
6. review any management report that accompanies published financial statements (to the extent such a report discusses the financial position or operating results) for consistency of disclosure with the financial statements themselves.

Review and discuss:

7. the appropriateness of accounting policies and financial reporting practices used by the Corporation;
8. any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation;
9. any new or pending developments in accounting and reporting standards that may affect the Corporation;
10. management's key estimates and judgments that may be material to financial reporting; and
11. any other matters required to be reviewed under applicable legal, regulatory or stock exchange requirements.

(b) **Risk Management, Internal Control and Information Systems**

1. review the Corporation's risk management controls and policies;
2. obtain reasonable assurance that the information systems are reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management and the external auditor;
3. review management steps to implement and maintain appropriate internal control procedures including a review of policies;
4. review adequacy of security of information, information systems and recovery plans;
5. monitor compliance with statutory and regulatory obligations;
6. review the appointment of the Chief Financial Officer; and
7. review the adequacy of accounting and finance resources.

(c) **Internal Audit**

The Committee will oversee the Corporation's internal audit function and the internal audit relationship with the auditor and with management. This includes:

1. review the organization and independence of the internal auditor;
2. review goals, resources and work plans;
3. review any restrictions or problems;
4. review recommendations and significant responses;

5. meet periodically and at least annually, with the internal auditor without management present; and
6. review proposed changes in the Chief Internal Auditor.

(d) **External Audit**

The Committee will review the planning and results of external audit activities and the ongoing relationship with the external auditor. This includes:

1. review and recommend to the Board, for shareholder approval, engagement of the external auditor including, as part of such review and recommendation, an evaluation of the external auditors' qualifications, independence and performance;
2. review and recommend to the Board the annual external audit plan, including but not limited to the following:
 - a. engagement letter;
 - b. objectives and scope of the external audit work;
 - c. procedures for quarterly review of financial statements;
 - d. materiality limit;
 - e. areas of audit risk;
 - f. staffing;
 - g. timetable; and
 - h. proposed fees.
3. meet with the external auditor to discuss the Corporation's quarterly and annual financial statements and the auditor's report including the appropriateness of accounting policies and underlying estimates;
4. review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:
 - a. any difficulties encountered, or restriction imposed by management, during the annual audit;
 - b. any significant accounting or financial reporting issue;
 - c. the auditors' evaluation of the Corporation's system of internal controls, procedures and documentation;
 - d. the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses;
 - e. any other matters the external auditor brings to the Committee's attention; and

- f. assess the performance and consider the annual appointment of external auditors for recommendation to the Board.
 5. review the auditor's report on all material subsidiaries;
 6. review and receive assurances on the independence of the external auditor;
 7. review the non-audit services to be provided by the external auditor's firm or its affiliates (including estimated fees), and consider the impact on the independence of the external audit; all of which services shall be subject to pre-approval by the Committee; and
 8. meet periodically, and at least annually, with the external auditor without management present.
- (e) **Other**
1. review insurance coverage of significant business risks and uncertainties including Directors and Officers coverage;
 2. review material litigation and its impact on financial reporting;
 3. review the company's use of derivative financial instruments and provide recommendations to the Board;
 4. review the company's "Level of Authority Document" and provide recommendations to the Board;
 5. review fees paid to outside professional consultants i.e.: lawyers, accountants, other than consultants placed in operations in lieu of full time staff;
 6. review company loans to Executive/Employees/consultants;
 7. review policies and procedures for the review and approval of officers expenses and perquisites;
 8. establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
 9. review and approve all hiring of employees and former employees of the present or former external auditor of the Corporation and review and approve the Corporation's policies with respect thereto; and
 10. review the terms of reference for the Committee annually and make recommendations to the Board as required.

4. ACCOUNTABILITY

The Committee shall report its discussions to the Board by distributing the minutes of its meetings and where appropriate, by oral report at the next Board meeting.

5. STANDARDS OF LIABILITY

Nothing contained in these terms of reference is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in these terms of reference are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.