



**Annual and Special Meeting of Shareholders  
to be held on Thursday, June 30, 2011**

**MANAGEMENT PROXY CIRCULAR**

**SOLICITATION OF PROXIES**

**This Management Proxy Circular (the "Information Circular") is furnished in connection with the solicitation by the management of Call Genie Inc. ("Call Genie" 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.

**Appointment of Proxyholders and Revocation of Proxies**

Michael Durance and Christopher Shelton (the management designees named in the accompanying Instrument of Proxy) are both senior officers of the Corporation. Mr. Durance is also a director of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder), other than Michael Durance or Christopher Shelton, to represent such Shareholder at the Meeting.** To exercise this right, a Shareholder should cross out the names of Mr. Durance and Mr. Shelton 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, 9<sup>th</sup> 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, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department) 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) approving the amendment of By-Law No. 3 of the Corporation to allow for the electronic delivery of shares to shareholders of the Corporation; (iv) ratifying and confirming the existing Share Option Plan of the Corporation; and (v) ratifying and confirming the existing Employee Share Purchase Plan of the Corporation.** 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

Call Genie Inc. was formed on August 17, 2004, upon the amalgamation ("**Amalgamation**") of: (i) GRD Enterprises Inc. (a public corporation incorporated under the laws of the Province of Alberta, the shares of which were listed on the TSX Venture Exchange (the "**Venture Exchange**") on March 19, 2004) and; (ii) Call Genie Inc. (a predecessor of the Corporation incorporated under the *Canada Business Corporations Act* on October 17, 2000 and continued under the *Business Corporations Act* (Alberta) on February 5, 2003 (such predecessor being referred to in this Information Circular as "**Old Call Genie**"). At the time of the Amalgamation, Old Call Genie was a wholly-owned subsidiary of GRD Enterprises Inc. ("**GRD**"). Immediately prior to the Amalgamation (which was effected pursuant to the vertical short form amalgamation procedures in the *Business Corporations Act* (Alberta) (the "**Act**")), GRD acquired: (i) all of the issued and outstanding shares of Old Call Genie in exchange for common shares of GRD; and (ii) all of the outstanding share purchase warrants of Old Call Genie in exchange for replacement

GRD share purchase warrants. The foregoing business combination transaction constituted the "Qualifying Transaction" of GRD, and a reverse takeover of GRD by Old Call Genie, under the policies of the Venture Exchange. The amalgamated corporation retained the name "Call Genie Inc." On December 12, 2007, the Common Shares of the Corporation were voluntarily delisted from the Venture Exchange and began trading on the Toronto Stock Exchange ("TSX").

## VOTING SHARES AND PRINCIPAL HOLDERS OF COMMON SHARES

### Voting of Common Shares - General

As at the close of business on May 31, 2011, there were 90,143,575 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 26, 2011 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 Call Genie 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 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, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department 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, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department.

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

### **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 Goldman Sachs Investment Partners Master Fund, L.P. As at the Record Date, Goldman Sachs Investment Partners Master Fund, L.P. was the beneficial owner of 9,661,835 Common Shares, which represented approximately 10.7% of the issued and outstanding Common Shares.

As at the Record Date, CDS & Co. was the *registered* owner of 69,947,097 Common Shares, which represented approximately 77.6% 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.

**INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON AT THE MEETING**

At the Meeting, among certain other items of business, the Shareholders will be asked to consider and, if deemed appropriate, ratify and confirm the Corporation's stock option plan and employee share purchase plan.

Each of the directors and officers of the Corporation are eligible to be granted options pursuant to the Corporation's stock option plan and to participate in the Corporation's employee share purchase plan and as such may be considered to have an interest in the ratification of such plans.

**ELECTION OF DIRECTORS**

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 Corporation's board of directors (the "Board" or "Board of Directors"). Each director elected will hold office until the next annual meeting of the Shareholders, unless his/her office is vacated prior to such meeting. Under applicable corporate legislation and securities laws, Call Genie is required to have an audit committee comprised of at least three directors (the "Audit Committee"). The Board of Directors has also established a Compensation Committee (the "Compensation Committee") and a Governance and Nominating Committee (the "Governance and Nominating Committee"). The Corporation does not have an executive committee. The present members of the Audit Committee, the Compensation Committee and the Governance and Nominating Committee are identified in the following table. That table also identifies the persons proposed to be nominated for election as directors, all other positions and offices within the Corporation now held by them, their principal occupations or employments, the periods during which they have served as directors of the Corporation and the approximate number of Common Shares beneficially owned, directly or indirectly, by each of them (or over which they exercise control or direction), as at the effective date of this Information Circular.

Name, Municipality and Country of Residence	Office(s) Currently Held	Principal Occupation or Employment	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed <sup>(1)</sup>	Became a Director
Michael Durance Toronto, Ontario, Canada	Chief Executive Officer and a Director	Chief Executive Officer of the Corporation from June 2005 to present; Vice President and General Manager at Toshiba America Information Systems (a private technology company) in Irvine, California from December 2001 to May 2005.	3,293,979	June 17, 2005
Richard W. DeVries <sup>(2)(5)</sup> Freeport, GBI, Bahamas	Chairman of the Board and a Director	President of Richard W. DeVries Professional Corporation (a private legal services corporation) from 1985 to present.	5,561,543	August 18, 2004 <sup>(3)</sup>
S. Graeme Ross <sup>(2)(5)</sup> Wainfleet, Ontario, Canada	Director	Financial advisor with Dundee Wealth from September 2009 to present. President and Director of Bovinia Inc., a private consulting company, since May 1993.	177,900	August 18, 2004 <sup>(4)</sup>

Name, Municipality and Country of Residence	Office(s) Currently Held	Principal Occupation or Employment	Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed <sup>(1)</sup>	Became a Director
Nancy Shemwell <sup>(2)</sup> Dallas, Texas, U.S.A.	Director	Independent Consultant from March 2011 to present. President and CEO of Multi-Link, Inc. between May of 2009 and February of 2011. Independent Consultant from November 2007 to May 2009. Executive Vice President, Global Sales and Services of Symmetricon, Inc. (a corporation involved in the generation of precise time and frequency signals used in wireline and wireless telecom networks and other applications), from September 2004 to October 2007. Acquisition Partner of the Canux Group (a company formed to purchase a division of a major telecommunications company) from 2002 to 2004.	82,000	October 26, 2006
Daniel Gatti <sup>(5)</sup> San Jose, California, U.S.A.	Director	Managing Partner of the Gatti Group (a provider of executive management services) from February 2010 to present. Senior Vice President of World-Wide Market Operations, Verari Systems, Inc. (a corporation involved in the development of energy efficient data centre and desktop consolidation platforms) from January 2008 to January 2010. President and CEO of Onsite Systems Inc. (a provider of network edge voice and data platforms for mobile backhaul), from July 2005 to January 2008. Managing Partner of the Gatti Group (a provider of executive management services) from October 2001 to July 2005.	Nil	May 14, 2007
Nicholas P. Fader Calgary, Alberta Canada	Director	Partner with the law firm of Bennett Jones LLP since March 1998.	22,000	March 6, 2008

**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 and the Compensation Committee.
- (3) Mr. DeVries was previously a director of Old Call Genie.
- (4) Mr. Ross was previously a director of GRD, a predecessor of the Corporation, from February 20, 2003 until August 18, 2004.
- (5) Member of Corporate Governance and Nominating Committee.

**Corporate Cease Trade Orders or Bankruptcies**

Richard W. DeVries

On July 6, 2001, the ASC issued an interim cease trade order against Advanced Vision Systems Corp. for failure to file required financial information, and a similar order was issued by the British Columbia Securities Commission (the "BCSC") shortly thereafter (the "**Financial Statement Orders**"). The Venture Exchange also issued a bulletin on July 6, 2001, suspending the trading of shares of

Advanced Vision Systems Corp. (the "**Trading Suspension**"). The Financial Statement Orders were subsequently revoked by the ASC and the BCSC, following the filing of the relevant information. Revocation of the Financial Statement Orders was confirmed on March 5, 2002 by the Venture Exchange, at which time the Venture Exchange advised that the Trading Suspension would not be revoked by the Venture Exchange until Advanced Vision Systems Corp. met its requirements for securities trading. On March 10, 2004, Advanced Vision Systems Corp. was transferred to the NEX board of the Venture Exchange. Mr. DeVries is a Director of Vision Systems Corp.

In May 2007 CPI Crown Properties International Corporation ("**Crown Properties**"), a corporation in respect of which Mr. DeVries served as a director, became subject to a cease trade order due to its deficiency in publishing and distributing its audited financial statements for 2006 in accordance with applicable securities laws. The Corporation has been advised that this deficiency occurred due to internal accounting issues and that Crown Properties subsequently rectified the deficiency and completed all ancillary matters and has complied with all securities and regulatory requirements. Subsequent to the above rectification, Mr. DeVries resigned as a director of Crown Properties.

While Mr. DeVries was a director, a temporary cease trade order was issued by the BCSC, being the Principal Regulator, on July 22, 2010, respecting Kinetex Resources Corporation ("**Kinetex**") for failure to file comparative audited annual financial statements for the year ended December 31, 2009 and interim financial statements for the period ended March 31, 2010 within the prescribed timeframe. As a result, trading in the common shares of Kinetex on the Venture Exchange was temporarily halted effective July 23, 2010. On November 3, 2010 the Alberta Securities Commission issued a cease trade order respecting securities of Kinetex. Mr. DeVries resigned as a director of Kinetex on December 7, 2010.

While Mr. DeVries was a director of Pacific Lottery Corporation ("**PLC**"), the trading of the shares of PLC on the Venture Exchange was halted on August 24, 2010. Mr. DeVries resigned as a director of PLC on February 17, 2011.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation of Named Executive Officers**

The Corporation had three executive officers as at December 31, 2010, being Michael Durance (President and Chief Executive Officer), Christopher Shelton (Chief Financial Officer), and Chet Chan (General Manager – North America/Senior Vice President of Client Services). Those officers are hereinafter referred to as the "**Named Executive Officers**").

The aggregate cash compensation paid by the Corporation to its five highest officers and employees during the financial year ended December 31, 2010 was \$967,901.

### ***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, 2008 to December 31, 2010. No directors or officers are indebted to the Corporation.

Name and Principal Position	Year	Salary (\$)	Option-based awards (\$) <sup>(4)</sup>	Option-based awards Surrendered (\$)	All Other Compensation (\$) <sup>(5)</sup>	Total Compensation (\$)
Michael Durance <sup>(1)</sup> Chief Executive Officer	2010	237,939	28,140	N/A	Nil	266,080
	2009	268,270	186,682	N/A	Nil	454,952
	2008	298,846	241,282	(241,282)	Nil	540,128
Christopher Shelton <sup>(2)</sup> Chief Financial Officer	2010	161,202	21,260	N/A	Nil	182,462
	2009	172,404	63,185	N/A	Nil	235,589
	2008	187,602	165,671	(165,671)	Nil	353,273
Chet Chan <sup>(3)</sup> Senior Vice President of Client Services	2010	175,201	41,902	N/A	Nil	217,103
	2009	183,991	28,720	N/A	Nil	212,711
	2008	175,974	71,758	(71,758)	Nil	247,732

**Notes:**

- (1) Mr. Durance was appointed as Chief Executive Officer on June 27, 2005.
- (2) Mr. Shelton was appointed Chief Financial Officer on March 1, 2006.
- (3) Mr. Chan was appointed Vice President of Client Services on July 3, 2007 and became Senior Vice President of Client Services on March 1, 2008. On September 9, 2011, Mr. Chan was appointed General Manager.
- (4) Calculated using the Black Scholes option pricing model, assuming a risk free interest rate of 1.4%, dividend yield of 0%, expected volatility of 97.5% 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.
- (5) 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.

**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, 2010. There were no share-based awards granted to Named Executive Officers in 2010 other than the issuance of shares under the Corporation's employee share purchase plan.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Michael Durance	3,250,000	0.075	February 25, 2014	211,250
	250,000	0.185	February 10, 2015	-
	100,000	0.120	August 19, 2015	2,000
Christopher Shelton	1,100,000	0.075	February 25, 2014	71,500
	100,000	0.185	February 10, 2015	-
	100,000	0.120	August 19, 2015	2,000
Chet Chan	500,000	0.075	February 25, 2014	32,500
	100,000	0.185	February 10, 2015	-
	75,000	0.090	May 18, 2015	3,750
	100,000	0.120	August 19, 2015	2,000
	250,000	0.090	September 9, 2015	15,693

**Note:**

- (1) Value represents the difference between the trading price of the Common Shares at December 31, 2010 (as reported by the TSX) and the option exercise price.

The following table and notes thereto set out, for each Named Executive Officer, information concerning the value vested or earned on all option-based awards, share-based awards and non-equity incentive plan compensation during the financial year ended December 31, 2010.



Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during year (\$) <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year (\$)
Michael Durance	243,750	88	Nil
Christopher Shelton	82,500	132	Nil
Chet Chan	37,500	166	Nil

**Notes:**

- (1) Value represents the difference between the trading price of the Common Shares on vesting date and the option exercise price.  
(2) Value represents the difference between the current market price of shares acquired under ESPP and 85% of the current market price used in calculating the number of such shares for issuance.

### Stock Options – Confirmation of Option Plan

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 ("**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.

Management recommends option grants to employees of the Corporation (including executive officers). These recommendations are then reviewed and either approved or rejected by the Compensation Committee and then the Board. The Compensation Committee may also recommend option-based grants to the Chief Executive Officer of the Corporation, which recommendation would then be approved or rejected by the Board.

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, the exercise price is 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 13,462,916 Common Shares issuable upon the exercise of Options outstanding under the Option Plan, representing 14.87% of the Corporation's issued and outstanding Common Shares, with 120,267 Common Shares available for future issuance under the Option Plan. 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 (immediately preceding the surrender date) of the Common Shares 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:

- (a) increasing the number of the Options issuable pursuant to the Option Plan;
- (b) adding any form of financial assistance by the Corporation for the exercise of any Option;
- (c) 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;
- (d) 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
- (e) reducing the exercise price for Options granted to insiders or to extend the terms of Options granted to insiders.

Unallocated options were approved by the shareholders of the Corporation at the Corporation's annual general meeting on December 12, 2007. As the three-year term prescribed by the TSX expired on December 12, 2010, an ordinary resolution will be placed before the shareholders to approve the unallocated options. This approval will be effective for three years from the date of the Meeting. If approval is not obtained at the Meeting, options which have not been allocated as of June 30, 2011 and options which are outstanding as of June 30, 2011 and are subsequently cancelled, terminated or exercised will not be available for a new grant of options. Previously allocated options will continue to be unaffected by the approval or disapproval of the resolution.

**On the vote to be called for at the Meeting, the shares represented by proxies in favor of the management designees named in the accompanying Instrument of Proxy will be voted, in the absence of direction to the contrary, for approval of the ordinary resolution confirming and ratifying the Option Plan.** In order to be approved, such resolution must be passed by a simple majority of the votes cast in person or by proxy at the Meeting. The text of the resolution to be presented to shareholders for consideration at the Meeting is as follows:

**"BE IT RESOLVED**, as an ordinary resolution of the shareholders of Call Genie Inc., that the stock option plan of the Corporation, be and the same is hereby ratified and confirmed."

#### ***Amendment to the Option Plan***

As a result of recent changes to the Income Tax Act (Canada), management of the Corporation has determined that an amendment is required to the terms of the Option Plan. As a result, the following will be added to the Option Plan in order to facilitate compliance with the Income Tax Act (Canada):

#### **"Withholdings, etc.**

The Corporation or any of its affiliates may withhold from any amount payable to any Eligible Optionee (whether in Common Shares or cash or other property), either under this Plan or otherwise, such amount as the

Corporation or such affiliate may consider necessary to ensure that the Corporation or such affiliate will be able to comply with the applicable provisions of any federal, provincial or other law relating to the withholding of tax or other required deductions, including on the amount, if any, that may be included in the income of an Eligible Optionee, and the Corporation and each applicable affiliate may establish procedures considered necessary by the Corporation or such affiliate to permit the satisfaction of such withholding obligations."

***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, 2010:

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-Average exercise price of outstanding options warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	12,228,750	\$0.12	1,106,087
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	12,228,750	\$0.12	1,106,087

***Options Granted During the Financial Year Ended December 31, 2010***

The following table sets out information concerning options granted to the Named Executive Officers during the financial year ended December 31, 2010, under the Option Plan:

<b>Name</b>	<b>Securities Under Options Granted (#)</b>	<b>Percent of Total Options Granted to Employees in 2010</b>	<b>Exercise Price (\$/Security)</b>	<b>Expiration Date</b>
Michael Durance	250,000	5.3%	\$0.12 - \$0.185	February 10, 2015 – August 19, 2015
Christopher Shelton	200,000	4.3%	\$0.12 - \$0.185	February 10, 2015 – August 19, 2015
Chet Chan	525,000	11.2%	\$0.09 - \$0.185	February 10, 2015 – September 9, 2015

***Aggregated Option Exercises During the Financial Year Ended December 31, 2010***

No options were exercised by the Named Executive Officers during the financial year ended December 31, 2010.

**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"). Pursuant

to the ESPP, all employees, officers and directors 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 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 Call Genie 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 Call Genie. As the Purchase Plan is considered an "evergreen" plan, since the shares purchased pursuant to the Purchase Plan shall be available for subsequent issuance under the Purchase Plan, the TSX requires that the ESPP be submitted to shareholders of the Corporation for ratification every three years. As a result, at the Meeting shareholders will be asked to ratify and approve the ESPP

#### *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 in 2010.

The issuance of Common Shares under the ESPP was approved by the shareholders of the Corporation at the Corporation's annual general meeting on October 28, 2008. As the three-year term prescribed by the TSX expires on October 28, 2011, an ordinary resolution will be placed before the shareholders to ratify and approve the ESPP. This approval will be effective for three years from the date of the Meeting. If approval is not obtained at the Meeting, the issuance of Common Shares under the ESPP will not be available following October 28, 2011.

**On the vote to be called for at the Meeting, the shares represented by proxies in favor of the management designees named in the accompanying Instrument of Proxy will be voted, in the absence of direction to the contrary, for approval of the ordinary resolution confirming and ratifying the ESPP.** In order to be approved, such resolution must be passed by a simple majority of the votes cast in person or by proxy at the Meeting. The text of the resolution to be presented to shareholders for consideration at the Meeting is as follows:

**"BE IT RESOLVED**, as an ordinary resolution of the shareholders of Call Genie Inc., that the employee share purchase plan of the Corporation, be and the same is hereby ratified and confirmed."

#### **Termination and Change of Control Benefits**

##### **Employment Contracts**

Mr. Michael Durance, the Chief Executive Officer of the Corporation, 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 of \$300,000 in the event of his termination or constructive dismissal following a change of control of the Corporation for reason other than cause.

Mr. Christopher Shelton, the Chief Financial Officer of the Corporation, is employed pursuant to a written employment contract. Mr. Shelton is eligible to participate in any bonus or incentive program that may be instituted by the Corporation. Mr. Shelton is entitled to a lump sum payment of \$180,000 in the event of his termination or constructive dismissal following a change of control of the Corporation for reason other than cause.

Mr. Chet Chan, Senior Vice President, Client Services, is employed pursuant to a written employment contract. Mr. Chan is eligible to participate in any bonus or incentive program that may be instituted by the Corporation. In the event of termination of employment for reason other than cause, Mr. Chan is entitled to 8 weeks' written notice, or payment in lieu of notice, in accordance with the employment contract.

### ***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, 2010, 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 2010 calendar year.

The aggregate cash remuneration paid to the directors of the Corporation during the financial year ended December 31, 2010 was Nil.

<b>Name</b>	<b>Director's Fees earned (\$)</b>	<b>Option-based awards <sup>(1)</sup> (\$)</b>	<b>All other compensation <sup>(2)</sup> (\$)</b>	<b>Total Compensation (\$)</b>
Richard DeVries	Nil	9,839	Nil	9,839
S. Graeme Ross	Nil	9,839	Nil	9,839
Nancy Shemwell	Nil	9,839	Nil	9,839
Daniel Gatti	Nil	9,839	Nil	9,839
Nicholas P. Fader	Nil	9,839	Nil	9,839

**Notes:**

- (1) Calculated using the Black Scholes option pricing model, assuming a risk free interest rate of 1.4%, dividend yield of 0%, expected volatility of 97.5% 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.

### ***Incentive Plan Awards***

The following table sets out information concerning all option-based awards outstanding at December 31, 2010, 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 2010 calendar year.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Richard DeVries	150,000 75,000	0.150 0.185	February 25, 2014 February 10, 2015	Nil Nil
S. Graeme Ross	235,000 75,000	0.150 0.185	February 25, 2014 February 10, 2015	Nil Nil
Nancy Shemwell	150,000 75,000	0.150 0.185	February 25, 2014 February 10, 2015	Nil Nil
Daniel Gatti	150,000 75,000	0.150 0.185	February 25, 2014 February 10, 2015	Nil Nil
Nicholas P. Fader	150,000 75,000	0.150 0.185	February 25, 2014 February 10, 2015	Nil Nil

## 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.

### 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 and Chief Executive Officer 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 and Chief Executive Officer regarding the base salary compensation. The Compensation Committee makes recommendations to the Board of Directors for any material changes in base salary for the Named Executive Officers.

#### *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 each calendar 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 2010, 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 2011.

#### *Employee Stock Purchase Plan*

The Shareholders of the Corporation previously approved the ESPP for all eligible employees. Under the ESPP, Common Shares of the Corporation are issued quarterly to Participants, at 85% of the weighted average trading price of each of the three-month periods. Employees may contribute from 1% to 20% of their gross base salary to the ESPP. The purpose of the ESPP is to promote the interests of the Corporation by aiding management in attracting and retaining employees who are expected to contribute to Call Genie's growth and financial performance for the benefit of Call Genie's shareholders, and to enable employees to augment their ownership position in the Corporation.

#### *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 in 2010.

### CORPORATE GOVERNANCE DISCLOSURE

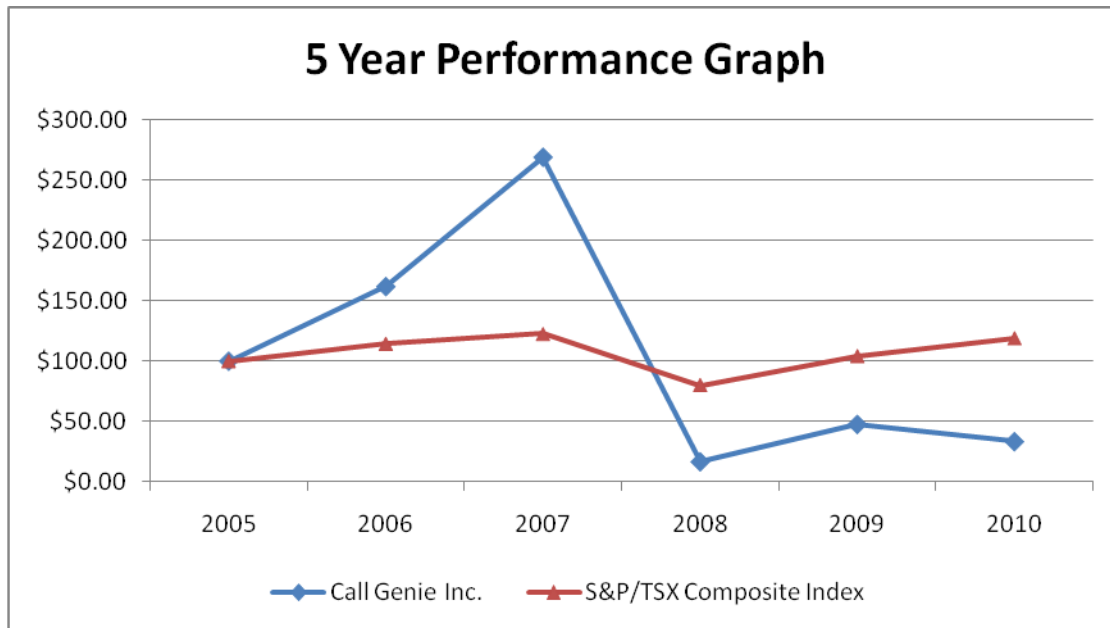
Securities regulatory authorities in all of the provinces and territories of Canada have adopted National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"). Disclosure of governance practices is required in accordance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

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

### PERFORMANCE GRAPH

#### FOR FIVE YEARS ENDED DECEMBER 31, 2010

The following graph compares the yearly percentage change in the cumulative total return of the Corporation's common shares commencing on December 31, 2005 and ending on December 31, 2010 (assuming a \$100 investment was made on December 31, 2005, at the closing price of \$0.42), with the return of the S&P/TSX Composite Index, assuming reinvestment of dividends, over the same period. The Common Shares began trading on the Venture Exchange on August 17, 2004 and were voluntarily delisted from the Venture Exchange and commenced trading on the TSX on December 12, 2007.



	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2009	Dec 31, 2010
S&P/TSX Composite Index	\$100.00	\$114.51	\$122.72	\$79.73	\$104.20	\$119.26
Call Genie Inc.	\$100.00	\$161.90	\$269.05	\$16.67	\$47.62	\$33.33

## **COMMON SHARE PRICE PERFORMANCE GRAPH IN RELATION TO EXECUTIVE COMPENSATION**

During 2007 and the first half of 2008, the Common Shares outperformed the S&P TSX Composite indices. The declining trend illustrated in this performance graph for the year ended December 31, 2008 is consistent with the general deterioration of the world economy and the Canadian and other equity markets. The declining trend in the trading price of the Corporation's common shares in 2008 was mirrored, to a degree, by the elimination the annual incentive bonuses otherwise payable to the Named Executive Officers. Annual compensation packages for Named Executive Officers are typically set near the start of each financial year and there may be little, or no, correlation between annual compensation for any particular year and stock price performance, as measured at the end of that year. In addition, for the period of February 15, 2009 to June 30, 2009, management of the Corporation instituted a salary deferral program whereby all employees of the Corporation (including management) deferred 15% of their salary, as a cash conservation measure.

## **AMENDMENT OF BY-LAWS**

On June 8, 2011, the Board of Directors proposes to amend By-Law No. 3 of the Corporation at a meeting scheduled for June 8, 2011 to provide for electronic delivery of shares to shareholders. The proposed change would add a new Section 57A to the existing By-Law No. 3 immediately following Section 57. Section 57A is expected to read as follows:

- 57A Subject to the Business Corporations Act (Alberta), nothing in the Articles or the By-Laws shall preclude any share or other security of the Corporation from being issued, held, registered, converted, transferred or otherwise dealt in an uncertificated or electronic form, subject to complying at all times with the provisions of the Act. In relation to any share or other security which is held in uncertificated or electronic form:
- (a) subject to the Business Corporations Act (Alberta), the Corporation shall not be obliged to issue a share certificate evidencing title to shares and all references to a certificate in respect of any shares or securities held in uncertificated form in the By-Laws shall be deemed inapplicable to such shares or securities which are in uncertificated form; and
  - (b) the registration of title to and transfer of any shares and securities in an uncertificated form shall be effected in accordance with the relevant legal or regulatory system which so enables the title to such shares or other securities to be evidenced or transferred without a written instrument and the directors shall have power to implement any procedures they may think fit in order to ensure such compliance.

The approved changes would additionally allow the Board of Directors to make such other ancillary changes to By-Law No. 3 as any one director or officer of the Corporation may see fit to allow for the electronic delivery of shares to shareholders.

By-Law No. 3 of the Corporation will be filed on SEDAR after amendment on June 8, 2011 assuming Shareholders approve the amendment and will be available at [www.sedar.com](http://www.sedar.com). A copy of the Corporation's By-Laws is also available for review at the offices of the Corporation during normal business hours up to and including the day of the Meeting.

The following resolution will be proposed at the Meeting in this regard.

"BE IT RESOLVED THAT:

1. the amendment of By-Law No. 3 of the Corporation, being a by-law relating generally to the conduct of the business and affairs of the Corporation, to allow for the electronic delivery of shares to shareholders of the Corporation or more particularly described in the management proxy circular dated May 31, 2011 relating to the annual and special meeting of the shareholders, held on June 30, 2011, be and the same is hereby approved; and
2. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may consider necessary or advisable to give effect to this resolution."

**Unless otherwise directed, the management designees named in the accompanying Instrument of Proxy intend to vote in favour of the ordinary resolution ratifying the amendment of the Corporation's By-Laws as noted above.** In order to be approved, this ordinary resolution must be passed by a simple majority of the votes cast in person or by proxy at the Meeting in respect of such resolution.

#### **APPOINTMENT OF AUDITORS**

**Unless otherwise directed, the management designees named in the accompanying Instrument of Proxy intend to vote in favour of the appointment of Ernst & Young 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.** Ernst & Young LLP, has acted as the auditors of the Corporation since December 19, 2007.

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

In 2010 and 2009 directors and officers of the Corporation purchased \$905,000 aggregate principal amount of non-convertible debt and \$380,000 aggregate principle amount of convertible debt, respectively. During the year ended December 31, 2010, these directors and officers received \$66,000 of interest in accordance with the terms of the applicable debt instruments. In addition, certain debentures issued by the Corporation in 2010 have been secured with assets made available by the Chairman of the Board of Directors. Other than the foregoing, and except as otherwise disclosed in this Information Circular, no informed person<sup>1</sup> 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, 2010 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 31, 2010.

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<sup>1</sup> "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.

### **ADDITIONAL INFORMATION**

Additional information relating to Call Genie 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](http://www.sedar.com). Financial information of Call Genie is provided in the financial statements and MD&A of Call Genie for the year ended December 31, 2010. Copies of the financial statements and related MD&A may be obtained from the Chief Financial Officer of Call Genie at 325 Milner Avenue, Suite 1001, Toronto, Ontario, M1B 5S8, or by facsimile at **(416) 291-5377**.

Dated as of the 31<sup>st</sup> day of May, 2010.

## SCHEDULE "A"

### CALL GENIE INC.

#### Statement of Corporate Governance Practices

Disclosure Requirement	Call Genie Corporate Governance Practices								
<b>Board of Directors</b>									
1) Disclose the identity of directors who are independent.	Graeme Ross, Richard DeVries, Nancy Shemwell, and Daniel Gatti are considered independent, within the meaning of Section 1.4 of Multilateral Instrument 52-110 <i>Audit Committees</i> ("MI 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.	Michael Durance is not considered independent within the meaning of Section 1.4 of MI 52-110. Michael Durance is the Chief Executive Officer of the Corporation.  Nicholas Fader is not considered independent as he is a partner of Bennett Jones LLP, the Corporation's legal counsel.								
3) Disclose whether or not a majority of directors is independent. If a majority of directors is not independent, describe what the board of directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.	4 of the 6 directors of the Corporation are independent within the meaning of Sections 1.4 and 1.5 of NI 52-110.								
4) 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.	Certain existing directors are also directors of the reporting issuers noted beneath their respective names below:  Richard DeVries <table><tbody><tr><td>CPI Crown Properties International Corporation</td><td>Director</td></tr><tr><td>Gallic Energy Inc.</td><td>Chairman, President, CFO and Director</td></tr><tr><td>Petro Reef Resources Ltd.</td><td>Director</td></tr><tr><td>Tallagium Inc.</td><td>Director</td></tr></tbody></table>	CPI Crown Properties International Corporation	Director	Gallic Energy Inc.	Chairman, President, CFO and Director	Petro Reef Resources Ltd.	Director	Tallagium Inc.	Director
CPI Crown Properties International Corporation	Director								
Gallic Energy Inc.	Chairman, President, CFO and Director								
Petro Reef Resources Ltd.	Director								
Tallagium Inc.	Director								
5) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the	The independent directors regularly hold "in camera" sessions in the absence of members of management. Such "in camera" sessions are generally held during regularly scheduled meetings of the Board of Directors or its committees. The number of Board meetings held during 2010 is								

## Disclosure Requirement

- number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.
- 6) Disclose whether or not the Chair of the Board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.
- 7) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

## Board Mandate

- 8) Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

## Call Genie Corporate Governance Practices

disclosed below.

Richard DeVries is the Chairman of the Board. Richard DeVries is considered independent within the meaning of Section 1.4 of MI 52-110.

The attendance of the directors at meetings of the Board of Directors (and committees thereof) held during 2010 is summarized below:

	<b>Committee Meetings Attended</b>	<b>Board Meetings Attended</b>
Richard DeVries	8/10	3/4
Michael Durance (2)	10/10	4/4
Daniel Gatti (1)	6/10	3/4
Nancy Shemwell	10/10	4/4
Graeme Ross	10/10	4/4
Nicholas Fader (2)	9/10	4/4
<b>Total Attendance Rate</b>	<b>88%</b>	<b>92%</b>

(1) Mr. Gatti missed two Committee meetings for a Committee of which he was a member.

(2) Mr. Durance and Mr. Fader are not members of any Committees of the Board of Directors.

The Charter of the Board of Directors is attached to this Information Circular as Schedule "B".

## Disclosure Requirement

## Call Genie Corporate Governance Practices

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### Position Descriptions

- 9) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.
- 10) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.

The Board has established written position descriptions for its Chairman and for the chairman of each committee of the Board.

The Board has established a written position description for the CEO.

### Orientation and Continuing Education

- 11) Briefly describe what measures the board takes to orient new directors regarding
- (i) the role of the board, its committees and its directors, and
  - (ii) the nature and operation of the issuer's business.
- 12) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

Senior management and certain directors provide orientation to new directors. New directors are provided with background information, which includes information on the Corporation and its operating subsidiaries, financial information, details of the Corporation's policies and procedures, and information concerning the organizational structure and legal structure of Call Genie and its subsidiaries. New directors are also provided the opportunity to visit the various operations of the Corporation to familiarize themselves with the Corporation's operations and personnel. No new directors were appointed in 2010.

Directors are provided with a quarterly reporting package that provides a comprehensive review of the Corporation's financial and operating results and condition. At regularly scheduled meetings, the Board receives and discusses reports concerning the operations and financial results of the Corporation and its operating subsidiaries. Directors are also provided with and encouraged to review newsletters, professional publications and other publications relating to the Corporation's business and the role of directors, including committee functions. Directors are encouraged to attend seminars and lectures relevant to their role as directors and committee members. Members of the operations management group are periodically invited to attend meetings with the directors and the directors visit operations locations on occasion to maintain and improve the



## Disclosure Requirement

## Call Genie Corporate Governance Practices

### Ethical Business Conduct

- 13) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:
- (i) disclose how a person or company may obtain a copy of the code;
  - (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and
  - (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.
- 14) Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.
- 15) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

directors' knowledge of the Corporation's business.

The Board has adopted a written Code of Business Conduct (the "**Code**").

The Code has been filed on SEDAR and is available at [www.sedar.com](http://www.sedar.com).

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.

No material change reports have been filed since January 1, 2010 pertaining to conduct of a director or executive officer that constitutes a departure from the code.

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.

## Disclosure Requirement

## Call Genie Corporate Governance Practices

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### Nomination of Directors

- 16) Describe the process by which the board identifies new candidates for board nomination.
- 17) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.
- 18) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

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. No such review was completed in 2010. The Corporation anticipates that a review will be conducted in 2011.

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 MI 52-110.

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

## Disclosure Requirement

## Call Genie Corporate Governance Practices

### Compensation

- 19) Describe the process by which the board determines the compensation for the issuer's directors and officers.
- 20) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.
- 21) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

Committee in its deliberations.

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 a compensation committee currently composed entirely of directors who are independent, within the meaning of Section 1.4 of MI 52-110.

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

## Disclosure Requirement

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- 22) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

### Other Board Committees

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

## Call Genie Corporate Governance Practices

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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 compensation consultants or advisors were retained during the 2010 financial year.

The Board has no other standing committees.

**Disclosure Requirement**

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**Call Genie Corporate Governance Practices**

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**Assessments**

- 24) 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. No such assessment was completed in 2010. The Corporation anticipates completing such an assessment in 2011.

## SCHEDULE "B"

### CALL GENIE INC.

#### BOARD OF DIRECTORS CHARTER

##### 1. Composition

The board of directors (the "**Board**") of Call Genie Inc. (the "**Corporation**"), considers it desirable that the Board be comprised of a majority of "independent" directors (within the meaning of Section 1.4 of Multilateral Instrument 52-110-- *Audit Committees*). The Board will take the foregoing observation respecting its composition into consideration in exercising its responsibilities set out under Section 7 below. For greater certainty, nothing set out in this Charter is intended to affect the validity of actions taken by the Board that are otherwise valid for purposes of applicable corporate law.

##### 2. Responsibilities

In addition to its other responsibilities under applicable law, the Board shall be responsible for the stewardship of the Corporation, and, in that regard, shall have responsibility for:

- (a) to the extent feasible, satisfying itself: (i) as to the integrity of the Chief Executive Officer (the "**CEO**") and other executive officers of the Corporation; and (ii) that the CEO and other executive officers of the Corporation create a culture of integrity throughout the Corporation;
- (b) adopting a strategic planning process and approving, on at least an annual basis, a strategic plan that takes into account, among other things, the opportunities and risks associated with the business of the Corporation;
- (c) the identification of the principal risks to which the Corporation is exposed in the conduct of its business, and overseeing the implementation of appropriate systems to manage these risks;
- (d) succession planning (including appointing, training and monitoring senior management);
- (e) the Corporation's internal control and management information systems;
- (f) satisfying itself that the Corporation's financial results are reported fairly to securityholders, regulators and the public in accordance with generally accepted accounting principles;
- (g) adopting a communications/disclosure policy for the Corporation and satisfying itself that the Corporation has established procedures for the timely reporting of developments material to the Corporation in accordance with applicable securities laws; and
- (h) developing the Corporation's approach to corporate governance (including the development of a set of corporate governance principles and guidelines), provided that the matters noted in this Paragraph (h) may be delegated to the Governance and Nominating Committee of the Board.

Members of the Board are expected to attend all meetings of the Board (and committees of the Board of which they are a member) whenever possible and to adequately prepare for such meetings. The independent directors should regularly meet in the absence of non-independent directors and members of management.

3. Committees

The Board shall establish and approve charters for an Audit Committee, a Corporate Governance and Nominating Committee, and a Compensation Committee. The Board may establish special or independent committees at such times and for such purposes as it sees fit.

4. Position Descriptions

The Board shall approve position descriptions for the Chairman of Board and the chairman of each of the committees of the Board. In addition, the Board, together with the CEO, shall develop a position description for the CEO, which includes a description of the CEO's principal responsibilities.

5. Orientation and Continuing Education

All new directors are to receive a comprehensive orientation designed to provide such directors with, among other things, an understanding of the business of the Corporation, the role of the Board and its various committees and expectations respecting the contributions of individual directors. In addition, directors, where appropriate, will be provided with continuing education opportunities, so that individuals may maintain or enhance their skills and abilities as directors, and enhance their knowledge and understanding of the Corporation's business.

6. Code Of Business Conduct And Ethics

The Board will adopt a written code of business conduct and ethics (the "**Code**") for the Corporation, which will be applicable to directors, officers, employees and consultants. The Code will confirm the expectations of the Board respecting the conduct of directors, officers, employees and consultants and will address the following:

- (a) conflicts of interest;
- (b) protection and proper use of corporate assets and opportunities;
- (c) use and protection of confidential information;
- (d) dealings with the Corporation's securityholders, customers, suppliers, competitors and employees;
- (e) compliance with laws, rules and regulations; and
- (f) reporting of any illegal or unethical behavior.

The Board shall be responsible for monitoring compliance with the Code. The Board shall have the sole authority to grant any waivers from the Code for the benefit of any of the directors or executive officers.

7. Nomination of Directors

To the extent permitted by applicable law and the bylaws of the Corporation, the Board will establish the number of members of the Board, within the range prescribed by the Corporation's articles, with a view to facilitating effective decision-making. Prior to nominating or appointing individuals as directors, the Board will:

- (a) consider which competencies and skills the Board, as a whole, should possess;
- (b) assess which competencies and skills each existing director possesses; and

- (c) consider the advice and input of the Corporate Governance and Nominating Committee concerning the foregoing and its recommendations to the Board concerning new director nominees.

8. Compensation

Following consideration of the recommendations of the Compensation Committee, the Board will:

- (a) review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those corporate goals and objectives and any other factors considered relevant by the Board and determine the CEO's compensation based on this evaluation; and
- (b) determine non-CEO officer and director compensation, incentive-compensation plans and equity-based plans, based upon the recommendation of the CEO.

9. Assessment

The Board will regularly assess the effectiveness of the Board, the committees of the Board and each individual director. An assessment will consider:

- (a) in the case of the Board or a committee of the Board, its charter;
- (b) in the case of an individual director, any applicable position description, as well as the competencies and skills that each individual director is expected to bring to the Board; and
- (c) the opinions and recommendations of the Corporate Governance and Nominating Committee.