

# **AILERON VENTURES LIMITED**

**NOTICE OF MEETING**

**and**

**INFORMATION CIRCULAR**

**in respect of an**

**ANNUAL MEETING OF SHAREHOLDERS**

**to be held on**

**June 5, 2012**

**DATED  
MAY 2, 2012**

# AILERON VENTURES LIMITED

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual meeting (the "**Meeting**") of the shareholders of Aileron Ventures Limited (the "**Corporation**") will be held at 9:00 a.m. (Calgary time) on June 5, 2012 at the offices of the Corporation at Suite 400, 2424 – 4th Street SW, Calgary, Alberta, T2S 2T4 for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2011, together with the auditors' report thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix the remuneration thereof; and
4. to transact such other business as may properly come before the Meeting or any adjournment(s) thereof.

The accompanying information circular of the Corporation provides additional information with respect to the matters to be considered at the Meeting and forms part of this notice of the Meeting.

Shareholders of the Corporation are invited to attend the Meeting. Shareholders of record at the close of business on May 4, 2012, will be entitled to vote at the Meeting except to the extent that a person has transferred any common shares of the Corporation ("**Common Shares**") after that date and the transferee of such Common Shares produces properly endorsed share certificates or otherwise establishes ownership thereof and requests, not later than 10 days before the Meeting, to be included in the list of shareholders of the Corporation entitled to vote at the Meeting.

Regardless of whether or not you are able to be present at the Meeting, please date, sign and return the form of proxy accompanying this notice of the Meeting. To be effective, forms of proxy must be received by Valiant Trust Company, 310, 606 - 4th Street SW, Calgary, Alberta T2P 1T1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof.

Shareholders may beneficially own Common Shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary. Without specific instructions, such intermediaries are prohibited from voting shares for their clients. If you are a non-registered shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or its agent, to ensure that they are able to provide voting instructions on your behalf.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "John Mackay"

John Mackay  
Chief Executive Officer

Calgary, Alberta  
May 2, 2012

# **AILERON VENTURES LIMITED**

## **INFORMATION CIRCULAR**

### **FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 5, 2012**

#### **GENERAL PROXY INFORMATION**

##### **SOLICITATION OF PROXIES**

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Aileron Ventures Limited ("Aileron" or the "Corporation") for use at the annual meeting (the "Meeting") of the holders ("Shareholders") of common shares in the capital of the Corporation ("Common Shares").** The Meeting will be held at the offices of the Corporation at Suite 400, 2424 – 4<sup>th</sup> Street SW, Calgary, Alberta, T2S 2T4 on June 5, 2012 at 9:00 a.m. (Calgary time), and at any adjournments thereof for the purposes set forth in the Notice of Annual Meeting of Shareholders accompanying this Information Circular. Information contained herein is given as of May 2, 2012 unless otherwise specifically stated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Corporation who will not be additionally compensated therefor. Brokers, nominees or other persons holding Common Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such Common Shares. **The solicitation of proxies by this Information Circular is being made by and on behalf of management and the directors of the Corporation.** The costs of soliciting proxies will be borne by the Corporation.

No person is authorized to give any information or to make any representation concerning the Meeting or the matters to be considered thereat other than those that are contained in this Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation.

##### **APPOINTMENT AND REVOCATION OF PROXIES**

Accompanying this Information Circular is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and/or officers of the Corporation. **A Shareholder has the right to appoint a person, who need not be a Shareholder, other than the persons specified in such form of proxy to attend and act for and on behalf of such Shareholder at the Meeting. Such right may be exercised by striking out the names of the persons specified in the form of proxy accompanying this Information Circular and inserting the name of the person to be appointed in the blank space provided in such form of proxy .**

A form of proxy will not be valid for the Meeting or any adjournment(s) thereof unless it is signed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be deposited with Valiant Trust Company at 310, 606 - 4th Street SW, Calgary, Alberta T2P 1T1 or by fax to (403) 233-2857 in each case, not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the province of Alberta) prior to the commencement of the Meeting or any adjournment(s) thereof.

A Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof and deposited at the office of Valiant Trust Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment(s) thereof.

## NON-REGISTERED SHAREHOLDERS

**The information set forth in this section is of significant importance to many Shareholders of Nautor, as a substantial number of Shareholders do not hold Common Shares in their own name.** Shareholders who do not hold Common 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 records of Aileron as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker or other intermediary then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or other intermediary. 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 Limited, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or other intermediaries (or their agents or nominees) can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, brokers and other intermediaries (and their agents and nominees) are prohibited from voting shares for their clients. **Therefore, Non-Registered Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Non-Registered Shareholders in advance of Shareholders' meetings. Every broker/intermediary 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 Common Shares are voted at the Meeting. The form of proxy supplied to a Non-Registered Shareholder by its broker/intermediary (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Shareholder. The majority of brokers/intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically asks Non-Registered Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Non-Registered Shareholder receiving a Broadridge proxy cannot use that proxy to vote Common Shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker/intermediary, a Non-Registered Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. A Non-Registered Shareholder who wishes to attend the Meeting and indirectly vote his/her Common Shares as proxyholder for the registered Shareholder should enter his/her own name in the blank space on the instrument of proxy provided and return the same to his/her broker/intermediary in accordance with the instructions provided by such broker/intermediary, well in advance of the Meeting. A Non-Registered Shareholder may revoke a form of proxy or voting instruction form given to the broker/intermediary at any time by written notice to the broker/intermediary in accordance with the instructions given to the Non-Registered Shareholder by such broker/intermediary.

These securityholder materials are being sent to both registered Shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

## VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Common Shares represented by the proxy will be voted or withheld from voting (as the case may be) in accordance with such instructions. **In the absence of any such instruction, the persons whose names appear on the printed form of proxy will vote in favour of all the matters set out thereon. The enclosed form**

**of proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, discretionary authority is then conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.**

At the date of this Information Circular, the management of Aileron knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

## **INFORMATION CONCERNING THE CORPORATION**

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The directors of the Corporation have fixed May 4, 2012 as the record date. Holders of Common Shares at the close of business on May 4, 2012 are entitled to receive notice of the Meeting and to vote at the Meeting or at any adjournments thereof on the basis of one vote for each Common Share held, except to the extent that (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to May 4, 2012 and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list for the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting or any adjournment(s) thereof. The transfer books will not be closed.

As at the date of this Information Circular, 9,664,155 Common Shares are issued and outstanding.

To the knowledge of the directors and executive officers of Aileron, as at the date of this Information Circular, no Shareholder or other person beneficially owns or controls or directs, directly or indirectly, ten percent (10%) or more of the issued and outstanding Common Shares of the Corporation, except for the following:

<b>Name and Municipality of Residence</b>	<b>Type of Ownership</b>	<b>Number of Common Shares Owned or Controlled</b>	<b>Percentage of Class</b>
Mosaic Limited Partnership Calgary, Alberta, Canada	Legal and beneficial	8,700,000	90%

As at the date of this Information Circular, the directors and officers as a group do not own beneficially, directly or indirectly, any Common Shares of the Corporation.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers or employees of the Corporation nor any of the nominees for election as a director of the Corporation, nor any associate of such persons, are indebted (i) to the Corporation or any of its subsidiaries, or (ii) to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

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

To the knowledge of the Corporation, there were no material interests, direct or indirect, of any director or executive officer of the Corporation, nominees for director, any person or company who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Common Shares of the Corporation (or any director or executive officer of such person or company), or any known associate or affiliate of such persons or companies, in any transaction since the commencement of the Corporation's last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries other than as disclosed herein or in the audited financial statements accompanying this Information Circular.

## **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON**

Except as may be disclosed elsewhere in this Information Circular, the Corporation is not aware of any material interest, direct or indirect (and whether by way of beneficial ownership of securities or otherwise), of any director or nominee for director, or executive officer, or anyone who has held any such office since the beginning of the Corporation's most recently completed financial year, or any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting other than in respect to the election of directors or the appointment of auditors.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **PRESENTATION OF FINANCIAL STATEMENTS AND AUDITORS' REPORT**

Audited financial statements of the Corporation for the fiscal year ended December 31, 2011, and the report of the auditors thereon, accompany this Information Circular. The presentation of such audited financial statements to the Shareholders at the Meeting will not constitute a request for approval or disapproval, and no action is required to be taken by the Shareholders thereon.

### **ELECTION OF DIRECTORS**

The board of directors of the Corporation ("**Board of Directors**" or "**Board**") currently consists of four directors. It is proposed that the current four directors of the Corporation be re-elected at the Meeting to serve as directors for the ensuing year.

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies "FOR" the election of the nominees specified below as directors of the Corporation. If, prior to the Meeting, any vacancies occur in respect to any of the proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote FOR the election of any substitute nominee or nominees recommended by management of the Corporation and FOR the remaining proposed nominees.** Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

Each director of the Corporation elected at the Meeting will hold office until the first annual meeting of the Shareholders held following his election unless he resigns or is removed as a director of the Corporation prior to such date.

The following table states the names of all persons proposed to be nominated for election as directors, the position or office now held by them, their principal occupation or employment during the last five years, the date on which they became a director of Aileron and the number of Common Shares in the capital of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by such persons.

Name and Municipality of Residence	Position	Principal Occupation For Last 5 Years	Date Elected/ Appointed Director	Shares Owned or Over Which Control or Direction is Exercised
John Mackay <sup>(1)</sup> Calgary, Alberta, Canada	Chief Executive Officer, Secretary, and Director	Mr. Mackay has been Executive Chairman, Chief Executive Officer and a director of Mosaic Capital Corporation (an investment company) since May 2011; prior thereto Mr. Mackay's principal occupation was (i) Executive Chairman, Chief Executive Officer and a director of the administrator of Mosaic Diversified Income Fund (an investment fund) where he has been engaged in a senior executive capacity since October 2005, and (ii) Chairman and a director of First West Properties Ltd. (a commercial real estate company) since August 2006. In May 2011 a commercial transaction resulted in Mosaic Diversified Income Fund and First West Properties Ltd. combining under Mosaic Capital Corporation. Each of the aforementioned entities is still carrying on business.	May 31, 2010	Nil
Harold Kunik <sup>(1)</sup> Calgary, Alberta, Canada	Chief Financial Officer, President, and Director	Mr. Kunik has been President, Chief Financial Officer and a director of Mosaic Capital Corporation (an investment company) since May 2011; prior thereto Mr. Kunik's principal occupation was (i) President, Chief Financial Officer and a director of the administrator of Mosaic Diversified Income Fund (an investment fund) where he has been engaged in a senior executive capacity since October 2005, and (ii) Chief Financial Officer and a director of First West Properties Ltd. (a commercial real estate company) since April 2008 and August 2006 respectively. In May 2011 a commercial transaction resulted in Mosaic Diversified Income Fund and First West Properties Ltd. combining under Mosaic Capital Corporation. Each of the aforementioned entities is still carrying on business.	May 31, 2010	Nil

Name and Municipality of Residence	Position	Principal Occupation For Last 5 Years	Date Elected/ Appointed Director	Shares Owned or Over Which Control or Direction is Exercised
Barclay Laughland Calgary, Alberta, Canada	Director	Mr. Laughland has been Vice-President, Corporate Affairs of Mosaic Capital Corporation (an investment company) since May 2011; prior thereto Mr. Laughland's principal occupation was (i) Vice-President, Corporate Affairs of the administrator of Mosaic Diversified Income Fund (an investment fund) where he has been engaged in that capacity since September 21, 2009, and (ii) Vice-President, Corporate Affairs of First West Properties Ltd. (a commercial real estate company) since November 19, 2009. From January to September 2009 he consulted to Mosaic Diversified Income Fund. From July 2007 to December 2008, Mr. Laughland was President of a private technology development company (Elemax Inc.) focussed on hydrocarbon extraction technology. Prior thereto until June 2007, Mr. Laughland was a partner in the Corporate Finance and Mergers and Acquisitions practice group in the Calgary office of McCarthy Tétrault LLP (law firm) where he had practiced since August of 2000. Each of the aforementioned entities, other than Elemax Inc., is still carrying on business.	December 17, 2010	Nil
William H. Smith Q.C. <sup>(1)</sup> Calgary, Alberta, Canada	Director	Mr. Smith has been Vice Chairman of Mosaic Capital Corporation (an investment company) since April 2012 and was its Executive Vice President prior thereto from May 2011. Since July 2010, he has also been a principal of William H. Smith Professional Corporation (a law firm) and President, Torve Ventures Ltd. (a merchant bank). Prior to that, Mr. Smith was counsel (November 2007 to July 2010) and a partner (1987 to 2007) at McCarthy Tétrault LLP (a law firm). In addition, from August 2009 to February 2010, he was Executive Vice President and General Counsel of Velo Energy Inc. (an oil and gas exploration company) and from October 2007 until July 2009, Mr. Smith was Executive Vice President, General Counsel and a director of Oilexco Incorporated (an oil and gas exploration company). Each of the aforementioned entities, other than Oilexco, is still carrying on business.	December 17, 2010	Nil

**Notes:**

(1) Member of the Audit Committee.

**Penalties or Sanctions**

To the knowledge of Aileron, except as otherwise set forth in this Information Circular, no proposed director of Aileron has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.



## **Corporate Cease Trade Orders and Bankruptcies**

To the knowledge of Aileron, other than as set forth below, no proposed director of the Corporation is, as at the date of this Information Circular, or has been, within the ten years prior to the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity: (i) was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted, after the person ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

To the knowledge of Aileron, other than as set forth below, no proposed director of the Corporation is, as at the date of this Information Circular, or has been, within the ten years prior to the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

William H. Smith, a director of Aileron, was a director and officer of Oilexco Incorporated. As a consequence of severe disruption in the financial and commodity markets during the Fall of 2008, Oilexco Incorporated filed for protection under the Companies Creditors' Arrangement Act (Canada) on February 5, 2009 and its wholly-owned United Kingdom subsidiary Oilexco North Sea Limited (of which Mr. Smith was also a director and officer) applied for the appointment of administrators for the benefit of its creditors on January 7, 2009. Oilexco Incorporated was subsequently suspended from trading by the TSX Venture Exchange ("TSXV") and a cease trade order was issued by the Alberta Securities Commission for failure by Oilexco Incorporated to file financial statements. In addition, the directors of Oilexco Incorporated, including Mr. Smith, were reprimanded by the TSXV based on the TSXV finding that Oilexco Incorporated ought to have issued certain press releases when it was insolvent.

Mr. Harold M. Kunik, a director and executive officer of Aileron, was a senior officer of Electromec Manufacturing Solutions Inc. (Electromec) from November 2003 to August 2005. After efforts to assist with the turn-around of the operations and financial performance of the business, Mr. Kunik resigned from Electromec in late August 2005. Shortly thereafter, in the last half of September 2005, a receiver-manager was brought in to take over management of Electromec. In approximately February 2006, Electromec was formally placed into bankruptcy. The business of Electromec was ultimately sold.

## **Personal Bankruptcies**

To the knowledge of Aileron, no proposed director of Aileron has, within the ten years preceding the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## **APPOINTMENT OF AUDITORS**

Aileron recommends that Collins Barrow Calgary LLP, Chartered Accountants, be reappointed as auditors of the Corporation, to hold office until the next annual meeting of the Corporation. Collins Barrow Calgary LLP have been auditors of the Corporation since June 11, 2010.

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies "FOR" the reappointment of Collins Barrow Calgary LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of the Corporation at such remuneration as may be fixed by the Board of Directors.**

## **OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting of Shareholders. If any other business properly comes before the Meeting, it is the intention of the persons named in the Instrument of Proxy accompanying this Information Circular to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **COMPENSATION DISCUSSION AND ANALYSIS**

The Board of Directors is currently responsible for reviewing and setting the compensation strategy, objectives and policies of the Corporation; annually reviewing and assessing the performance of the executive officers; determining the compensation of executive officers; and reviewing executive appointments.

Over the past year, the Board of Directors and management have been focussed on identifying and evaluating businesses and assets with a view to completing an acquisition of a business or assets to comprise the business to be carried on directly or indirectly by the Corporation. This process is still currently underway.

Due to the current early stage of the Corporation's operations and limited cash resources, the Board of Directors currently does not intend to compensate its directors or officers for their time and effort dedicated to Aileron.

As a result of the foregoing, there has been no need, currently, for the Board of Directors to design and institute any type of detailed executive compensation program. Aileron does not have any long term incentive plans, share compensation plans, retirement plans, pension plans or any other such benefit programs for its directors or officers. Neither has Aileron established an annual retainer fee or attendance fee for directors in respect to their attendance at meetings of the Board of Directors.

If the Corporation is successful in finding and completing an acquisition of a business or assets to comprise the business to be carried on directly or indirectly by the Corporation, then the Board of Directors at that time will review the compensation strategy, objectives and policies of the Corporation with a view to putting in place a compensation program which is appropriate in light of the business of the Corporation at that time. This may include compensation to the directors and officers for their time and effort dedicated to finding the business or assets to comprise the business Aileron.

As at the date of this Information Circular, there are no management or employment contracts or other arrangements in place between Aileron and any of the executive officers of Aileron, and there are no arrangements in place with any of the executive officers of Aileron for compensation to be paid to them in the event of termination of employment or a change in responsibilities following a change of control of Aileron.

### **SUMMARY COMPENSATION**

No director or officer of the Corporation has received, nor do they have a right to receive (whether contingent or otherwise), any type of compensation from the Corporation (including cash, option based awards, share based awards, non-equity incentive awards or other similar compensation) in respect of the most recently completed financial year or at any time prior thereto since the Corporation came into existence.

### **PENSION PLAN BENEFITS**

The Corporation does not have any pension plan, retirement plan, or other form of retirement compensation or similar benefit program for its executive officers.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

There are no termination or change of control benefits which have been negotiated with any director, executive officer or employee.

## DIRECTOR COMPENSATION

During the financial year ended December 31, 2011, the Corporation did not grant any option-based awards to its directors or otherwise pay or grant any cash compensation, share-based awards, non-equity incentive plan awards or any other compensation to the directors, nor were any of the directors paid for attendance at Board or committee meetings.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has no equity based compensation plans of any nature.

## CORPORATE GOVERNANCE DISCLOSURE

Under National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Corporation is required to include in its Information Circular the disclosure required under Form 58-102F2 with respect to its corporate governance practices.

### Board of Directors

The Board is currently comprised of four individuals, none of whom are independent within the meaning of that term set out in National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). Currently, Mosaic Capital Corporation ("**MCC**") owns approximately 90% of the outstanding common shares of Aileron and each of the four directors are officers and, in some cases, directors of MCC as well as other affiliated entities. John Mackay and Harold Kunik are also executive officers of Aileron.

Further, the Corporation is only in its very early stages of development and still looking to acquire a business or assets to comprise the business or assets forming the business to be carried on by the Corporation. Once this occurs the Board will assess the issue of the independence of the Board with a view to determining what changes to composition of the Board would be prudent.

### Directorships

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

<u>Name of Director</u>	<u>Name of Other Issuer</u>
John Mackay	Mosaic Capital Corporation Nautor Progressive Corporation VisionSky Corp.
Harold Kunik	Mosaic Capital Corporation Nautor Progressive Corporation
William H. Smith, Q.C.	Mosaic Capital Corporation AIS Resources Limited PFB Corporation Sembiosys Genetics Inc. Nautor Progressive Corporation VisionSky Corp.

<u>Name of Director</u>	<u>Name of Other Issuer</u>
Barclay Laughland	Nautor Progressive Corporation VisionSky Corp.

### **Orientation and Continuing Education**

The Corporation has not implemented a formal orientation and continuing education program. At present, any new directors would be given an outline of the nature of the Corporation's business, its corporate strategy and any current issues pertaining to the Corporation. It is expected that existing directors of Aileron would provide orientation and education to new members on an informal basis. Directors are also provided with ongoing education respecting Aileron's business (or progress towards establishing a business), by way of updates from management.

### **Ethical Business Conduct**

The Board of Directors does not view a written code of business conduct and ethics as necessary at the present time due to the very early stage of the Corporation, small size of the Corporation and the current activity level of the Corporation. The Board is of the view that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, are presently sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

### **Nomination of Directors**

Responsibility for identifying new candidates to join the Board of Directors and recommending nominees for election as directors belongs to the Board of Directors as a whole at this time. If and when the need for new or additional directors arises, the Board of Directors intends to consider candidate independence, financial acumen, skills and available time to devote to the duties of the Board of Directors in making their recommendations for nomination. The Board of Directors reviews the composition and size of the Board of Directors in advance of annual meetings when directors are elected by the Corporation's shareholders, as well as when individual directors indicate that their term may end or that their status may change.

### **Compensation**

The entire Board of Directors is currently responsible for reviewing all compensation strategy, objectives and policies; annually reviewing and assessing the performance of the executive officers; determining the compensation of executive officers and reviewing executive appointments. Directors who are also members of management are required to abstain from voting on matters related to senior management compensation. Currently no compensation is provided to any directors or officers of the Corporation.

### **Other Board Committees**

The Corporation has no other standing committees other than the Audit Committee.

### **Assessments**

The Board of Directors has not implemented a process for assessing its effectiveness. As a result of the Corporation's size, its early stage of development and the limited number of individuals on the Board of Directors, the Board of Directors consider a formal assessment process to be inappropriate at this time. The Board of Directors plan to continue evaluating its own effectiveness on an ad hoc basis. The Board of Directors do not formally assess the performance or contribution of individual board members or committee members.

## **AUDIT COMMITTEE DISCLOSURE**

Under NI 52-110, the Corporation is required to include in its Information Circular the disclosure required under Form 52-110F2 with respect to its Audit Committee. As a venture issuer, the Corporation is exempt from certain

requirements of NI 52-110 regarding the composition of the Audit Committee and the obligation to provide certain disclosure in its annual information form (if any).

### **Audit Committee Charter**

The full text of the Corporation's Audit Committee charter is attached as Appendix "A" to this Information Circular.

### **Audit Committee**

The Audit Committee is comprised of three individuals (Messrs. Mackay, Smith and Kunik), none of whom is independent but all of whom are financially literate as defined by NI 52-110. In considering criteria for the determination of financial literacy, the Board of Directors looks at the ability to read and understand financial statements of a publicly traded corporation. Each member of the Audit Committee has been, during the course of his business career, a senior manager of a publicly traded company or has served as a member of boards of directors of other private and public corporations.

The Audit Committee reviews the annual financial statements and related financial reporting of Aileron and meets with the external independent auditors to review and consider audit procedures and to assess the appropriateness and effectiveness of the Corporation's policies, business practices and internal controls. The members of the Audit Committee have direct access to the external auditors of the Corporation. The Audit Committee or the full Board of Directors reviews the unaudited quarterly financial statements and management's discussion and analysis of financial results.

### **Pre-Approval Policies and Procedures**

The Audit Committee pre-approves the retention of the independent auditor for any significant non-audit services permitted under applicable securities law and the fee for such services.

### **External Auditor Service Fees**

The following table provides information about the fees billed to the Corporation for professional services rendered by Collins Barrow Calgary LLP during the fiscal years 2011 and 2010, both exclusive of GST:

	<b>Fiscal Year 2011</b>	<b>Fiscal Year 2010</b>
Audit Fees <sup>(1)</sup>	\$3,000.00	\$2,500.00
Audit-Related Fees <sup>(2)</sup>	\$7,250.00	-
Tax Fees <sup>(3)</sup>	-	-
All Other Fees	-	-
<b>Total</b>	<b>\$10,250.00</b>	<b>\$2,500.00</b>

**Notes:**

- (1) Audit Fees consist of fees for the audit of the Corporation's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit Related Fees consist of fees for insurance and related services that are reasonably related to the performance of the audit or the review of the Corporation's financial statements and are not reported as Audit Fees.
- (3) Tax Fees consist of fees for services relating to tax compliance, tax advice and tax planning.

### **Exemption**

The Corporation, as a "venture issuer", is exempt under section 6.1 of NI 52-110 from the disclosure requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 and is relying on this exemption.

## **ADDITIONAL INFORMATION**

Financial information relating to Aileron is provided in the Corporation's comparative financial statements and management's discussion and analysis for the year ended December 31, 2011. Copies of this management proxy circular, the annual financial statements and any interim financial statements of the Corporation subsequent to the

annual financial statements (together with any associated management's discussion and analysis in connection with such financial statements) may be obtained without charge by writing to the Chief Executive Officer of the Corporation at 400, 2424 – 4<sup>th</sup> Street SW, Calgary, Alberta T2S 2T4.

Additional information relating to Aileron is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **DIRECTORS' APPROVAL**

The contents and sending of this Information Circular have been approved by the directors of the Corporation.

**APPENDIX "A"**

TO THE  
INFORMATION CIRCULAR  
OF  
AILERON VENTURES LIMITED

**AUDIT COMMITTEE TERMS OF REFERENCE**

The Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Aileron Ventures Limited (the "**Corporation**") shall have the oversight responsibility, authority and specific duties as described below.

**Composition**

The Committee will be comprised of three or more directors as determined by the Board. Each Committee member shall satisfy the independence, financial literacy and experience requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.

Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

**Communication, Expenses and Authority to Engage Advisors**

The Committee shall have access to such officers and employees of the Corporation, the Corporation's external auditor and to such information respecting the Corporation, as it considers necessary or advisable in order to perform its duties and responsibilities.

The Committee provides an avenue for communication, particularly for outside directors, with the external auditor and financial and senior management and the Board. The external auditor shall have a direct line of communication to the Committee through its Chair and shall report directly to the Committee. The Committee, through its Chair, may directly contact any employee in the Corporation as it deems necessary, and any employee may bring before the Committee, on a confidential basis, any matter involving the Corporation's financial practices or transactions.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at the Corporation's expense.

The Corporation shall be responsible for all expenses of the Committee that are deemed necessary or appropriate by the Committee in carrying out its duties.

**Meetings and Record Keeping**

Meetings of the Committee shall be conducted as follows:

1. the Committee shall meet at least four times annually at such times and at such locations as the Chair of the Committee shall determine, provided that meetings shall be scheduled so as to permit timely review of the quarterly and annual financial statements and reports. The external auditor or any two members of the Committee may also request a meeting of the Committee;
2. the Chair of the Committee shall preside as chair at each Committee meeting and lead Committee discussion on meeting agenda items;

3. the quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;
4. if the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting;
5. every question at a Committee meeting shall be decided by a majority of the votes cast; in the event of a tie vote on any matter, such matter shall be presented to the Board for its consideration and determination;
6. the Chief Executive Officer and Chief Financial Officer shall be available to advise the Committee, shall receive notice of meetings and may attend meetings of the Committee at the invitation of the Chair of the Committee. Other management representatives may be invited to attend as necessary; and
7. minutes of each meeting will be kept.

Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee.

### **Responsibilities**

The Committee is part of the Board. Its primary functions are to assist the Board in fulfilling its responsibilities with respect to: (i) oversight, review and approval of the financial statements and the accounting and financial reporting processes of the Corporation; (ii) oversight of the assessment of the system of internal controls that management has established; and (iii) oversight of the external audit process. In addition, the Committee shall assist the Board, as requested, in fulfilling its oversight responsibilities with respect to (i) financial policies and strategies; (ii) financial risk management practices; and (iii) transactions or circumstances which could materially affect the financial profile of the Corporation.

The Committee shall be directly responsible, in its capacity as a committee of the Board, for recommending to the Board the nomination of the external auditor and the compensation and retention of the external auditor and overseeing the work of the external auditor and the relationship of the external auditor with the Corporation (including the resolution of disagreements between management and the external auditor regarding financial reporting).

The Committee should have a clear understanding with the external auditor that it must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the external auditor is to the shareholders of the Corporation.

### **Specific Duties**

#### **A. Relationship with External Auditor**

The Committee shall:

1. consider and make a recommendation to the Board as to the nomination or re-appointment of the external auditor;
2. consider and make a recommendation to the Board as to the compensation of the external auditor which is to be paid by the Corporation;
3. oversee the work of the external auditor in performing their audit, review or attest services and oversee the resolution of any disagreements between management of the Corporation and the external auditor;
4. as necessary, review and discuss with the external auditor all significant relationships that the external auditor and its affiliates have with the Corporation and its affiliates in order to determine the external auditor's independence;
5. as may be required by applicable securities laws, rules and guidelines, either:



- (a) pre-approve all non-audit services to be provided by the external auditor to the Corporation (and its subsidiaries, if any), or, in the case of de minimus non-audit services, approve such non-audit services prior to the completion of the audit; or
  - (b) adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services; and
6. review and approve the hiring policies of the Corporation regarding partners and employees and former partners and employees of the present and former external auditor of the Corporation.

**B. Financial Statements and Financial Reporting**

The Committee shall:

- 1. review with management and the external auditor, and recommend to the Board for approval, the annual financial statements of the Corporation and related annual financial reporting, including management's discussion and analysis and earnings press releases;
- 2. upon completion of each audit, review with the external auditor the results of such audit. This process should include but not be limited to reviewing:
  - (a) the scope and quality of the audit work performed;
  - (b) the capability of the Corporation's financial personnel;
  - (c) the co-operation received from the Corporation's financial personnel during the audit;
  - (d) the internal resources used;
  - (e) significant transactions outside of the normal business of the Corporation; and
  - (f) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems;
- 3. review with management and recommend to the Board for approval, the interim financial statements of the Corporation and related interim financial reporting, including management's discussion and analysis and earnings press releases (if any);
- 4. review with management and recommend to the Board for approval, any financial statements of the Corporation which have not previously been approved by the Board and which are to be included in a prospectus or other public disclosure document of the Corporation;
- 5. review with management and recommend to the Board for approval, the Corporation's annual information form, if any;
- 6. consider and be satisfied that adequate policies and procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements (other than public disclosure referred to in clauses B.1 and B.3 above), and periodically assess the adequacy of such procedures; and
- 7. review accounting, tax, legal and financial aspects of the operations of the Corporation as the Committee considers appropriate.

**C. Internal Controls**

The Committee shall:

- 1. review with management and the external auditor, the adequacy and effectiveness of the internal control and management information systems and procedures of the Corporation (with particular attention given to

accounting, financial statements and financial reporting matters) and determine whether the Corporation is in compliance with applicable legal and regulatory requirements and with the Corporation's policies;

2. read the external auditor's recommendations regarding any matters, including internal control and management information systems and procedures, and management's responses thereto; and
3. establish procedures for the receipt, retention and treatment of complaints, submissions and concerns regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

D. Financial Risk Management

The Committee may, if requested by the Board, review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to accounting and management reporting. The Committee may, if requested by the Board, also review the financial risks arising from the Corporation's exposure to such things as interest rates, credit, the Corporation's insurance program and tax or government audits and report the results of such reviews to the Board for the purpose of assisting the Board in identifying the principal business risks associated with the business of the Corporation.

E. Review of Terms of Reference

The Committee shall review and reassess the adequacy of these mandates at such times as the Chair deems appropriate and recommend any changes arising out of same to the Board. Such review shall include the evaluation of the performance and effectiveness of the Committee.