



55 Commerce Valley Drive West, Suite 800, Thornhill, Ontario, Canada L3T 7V9

MANAGEMENT INFORMATION CIRCULAR

May 16, 2017



May 16, 2017

Dear Shareholder,

On behalf of the Board of Directors and management of TeraGo Inc. (“**TeraGo**” or the “**Company**”), it is our pleasure to invite you to attend our annual and special meeting of shareholders (the “**Meeting**”). The Meeting will be held at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario M5J 2Z4 at 11:00 a.m. (Toronto time) on Thursday, June 15, 2017.

At the Meeting, shareholders will be voting on a number of important matters. We have attached the Notice of Meeting and the Management Information Circular for the Meeting. If you are unable to attend the Meeting in person, we urge you to exercise the power of your proxy vote in a simple procedure that is explained in the Management Information Circular.

Thank you for your continued support of the Company and we look forward to seeing you at the Meeting.

Sincerely,

(signed) “Jim Nikopoulos”

Jim Nikopoulos
Chair of the Board

(signed) “Antonio Ciciretto”

Antonio (Tony) Ciciretto
President and Chief Executive Officer



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

The Annual and Special Meeting of Shareholders (the “**Meeting**”) of TeraGo Inc. (the “**Company**”) will be held

on **Thursday, June 15, 2017**
at **11:00 a.m. (Toronto time)**
at **Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower
Suite 3800
200 Bay Street
Toronto, ON M5J 2Z4**

for the following purposes:

1. receiving the consolidated audited financial statements of the Company for the year ended December 31, 2016 and the auditors’ report thereon;
2. to fix the number of directors of the Company at seven (7);
3. electing the directors of the Company;
4. re-appointing the auditors and authorizing the directors to fix the remuneration of the auditors;
5. to approve the Company’s directors’ shares compensation program and the reservation of additional common shares issuable pursuant to such program; and
6. transacting such other business as may properly be brought before the Meeting.

The record date for the determination of those shareholders entitled to receive this notice is May 15, 2017. Each shareholder of the Company as at such record date is entitled to notice of the Meeting and to vote at the meeting.

If you cannot attend the Meeting in person, please complete the enclosed form of proxy and return it in the envelope provided or by facsimile to (416) 263-9524 or toll-free to 1-866-249-7775. For your vote to be recorded, your proxy must be received by the Toronto office of Computershare Investor Services Inc., the Company’s transfer agent, no later than 5:00 p.m. (Toronto time) on Tuesday, June 13, 2017.

By Order of the Board of Directors of TeraGo Inc.

(signed) “Mark Lau”

Mark Lau
General Counsel and Corporate Secretary
May 16, 2017

MANAGEMENT INFORMATION CIRCULAR

Unless otherwise indicated, all information is as at May 16, 2017 and all dollar amounts are expressed in Canadian dollars.

I. VOTING INFORMATION

What am I voting on?

The holders of the common shares (the “**Common Shares**”) in the capital of TeraGo Inc. (“**TeraGo**” or the “**Company**”) are voting on (i) the fixing of the number of directors of the Company (the “**Board**”) at seven (7); (ii) the election of directors to the Board; (iii) the re-appointment of KPMG LLP as auditors for the Company and authorizing the directors to fix the remuneration of the auditors; and (iv) the approval of the Company’s directors’ shares compensation program and the reservation of additional common shares issuable pursuant to such program.

Who is entitled to vote?

You are entitled to vote if you were a holder of Common Shares as of the close of business on May 15, 2017 (the “**Record Date**”). Each Common Share entitles its holder to one vote on those items of business identified in the Notice of Annual and Special Meeting of Shareholders.

If you hold non-voting shares of the Company as of the close of business on the Record Date, you have the right to attend the Meeting. For a description of our non-voting shares, please see the discussion under the heading “Description of Capital Structure” in the Company’s Annual Information Form dated February 23, 2017 which is available on SEDAR at www.sedar.com.

How do I vote?

If you are a registered holder, you may vote in person at the Meeting or you may sign the enclosed form of proxy appointing the persons named in the proxy or some other person you choose, who need not be a shareholder, to represent you as proxy holder and vote your Common Shares at the Meeting.

There are two ways that you can vote your Common Shares if they held by your nominee (a bank, trust company, securities broker, trustee or other). As required by Canadian securities legislation, you will have received from your nominee either a request for voting instructions or a form of proxy for the number of Common Shares you hold. Each nominee has its own signing and return instructions, which you should follow carefully to ensure your Common Shares will be voted.

Since the Company has limited access to the names of its non-registered Shareholders, if you plan on attending the Meeting, the Company may have no record of your Common Share holdings or of your entitlement to vote unless your nominee has appointed you as proxy holder. Therefore, if you wish to vote in person at the Meeting, please insert your own name in the space provided on the request for voting instructions or form of proxy and return same by following the instructions provided. Do not otherwise complete the form as your vote will be taken at the Meeting. Please register with the Company’s transfer agent, Computershare Investor Services Inc., upon arrival at the Meeting.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company 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. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Company also intends to pay for an intermediary to deliver the proxy-related materials and related forms to objecting non-registered Shareholders.

Who is soliciting my proxy?

The enclosed form of proxy is being solicited by or on behalf of management of the Company and the associated costs will be borne by the Company. The solicitation will be primarily by mail but may also be made by telephone, in writing or in person by the directors, officers or regular employees of the Company.

What if I sign the form of proxy enclosed with this Management Information Circular?

Signing the enclosed form of proxy gives authority to Jim Nikopoulos or Antonio Ciciretto, each of whom is a director of the Company, or to another person you have appointed, to vote your Common Shares at the Meeting.

Can I appoint someone other than these directors to vote my Common Shares?

Yes. Write the name of this person, who need not be a Shareholder, in the blank space provided in the form of proxy.

It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your Common Shares. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of Computershare Investor Services Inc.

What do I do with my completed proxy?

Return it to the Company's transfer agent, Computershare Investor Services Inc., in the envelope provided or by facsimile at (416) 263-9524 or 1-866-249-7775, so that it arrives not later than 5:00 p.m. (Toronto time) on Tuesday, June 13, 2017, at least two business days prior to the date of the Meeting or any adjournment or postponement thereof. This will ensure your vote is recorded.

If I change my mind, can I take back my proxy once I have given it?

Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered to the General Counsel and Corporate Secretary of the Company at the following address no later than 5:00 p.m. (Toronto time) on Wednesday, June 14, 2017 or to the Chair of the Meeting on the day (and prior to the start) of the Meeting:

Mark Lau
General Counsel and Corporate Secretary
TeraGo Inc.
55 Commerce Valley Drive West, Suite 800
Thornhill, ON L3T 7V9

How will my Common Shares be voted if I give my proxy?

The persons named in the voting instruction form or form of proxy must vote for or against or withhold from voting your Common Shares in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, proxies received by management will be **VOTED FOR the fixing of the number of directors of the Company at seven (7), VOTED FOR the election of directors, VOTED FOR the re-appointment of the auditors and to authorize the directors to fix their remuneration, and VOTED FOR the approval of the Company's directors' shares compensation program and the reservation of additional common shares issuable pursuant to such program**, each as more specifically set out in this Management Information Circular.

What if amendments are made to these matters or if other matters are brought before the meeting?

The person named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting of Shareholders and with respect to other matters that may properly come before the Meeting.

As at the date of this Management Information Circular, management of the Company are not aware of any such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment.

How many Common Shares are entitled to vote?

As of the Record Date, there were 14,277,626 Common Shares outstanding. Each shareholder is entitled to one vote for each Common Share held at the close of business on the Record Date. To the knowledge of the directors and management of the Company, as of the Record Date, no one person or entity beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the outstanding Common Shares, other than as disclosed below:

Shareholder	Approximate Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares
Second Alpha Partners, LLC	3,262,979	22.9%
PenderFund Capital Management Ltd.	1,934,100	13.5%

How will these matters be decided at the Meeting?

Each matter specified in this Management Information Circular to be brought before the Meeting will be determined by a majority of votes cast, by proxy or in person, on the matter.

Who counts the votes?

The Company’s transfer agent, Computershare Investor Services Inc., counts and tabulates the proxies and votes. This is done independently of the Company to preserve the confidentiality of individual votes. Proxies are referred to the Company only in cases where a shareholder clearly intends to communicate his or her position to management or as necessary to comply with the requirements of applicable law.

If I need to contact the transfer agent, how do I reach them?

For general enquiries, you can contact the transfer agent by mail at:

Computershare Investor Services Inc. 100 University Avenue 8 th Floor, North Tower Toronto, ON M5J 2Y1	or by telephone toll free at: 1-800-564-6253 (or outside of Canada and U.S. 1-514-982-7555)
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or by e-mail at: service@computershare.com	or by facsimile at: 1-866-249-7775
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II. BUSINESS OF THE MEETING

1. Financial Statements

The consolidated audited financial statements of the Company for the year ended December 31, 2016 together with the auditors' report thereon (the "**2016 Financial Statements**") and related Management Discussion and Analysis ("**MD&A**") are available on the Company's website www.terago.ca and on SEDAR at www.sedar.com under the Company's name. The Company's Annual Information Form ("**AIF**") dated February 23, 2017, the 2016 Financial Statements, the MD&A, and this Management Information Circular may be obtained from the General Counsel and Corporate Secretary of the Company upon request. Copies of the above and other disclosure documents of the Company may also be examined and/or obtained on SEDAR.

2. Number of Directors

The articles of the Company (the "**Articles**") provide that the number of directors shall be a minimum of one and a maximum of ten. The Board is currently composed of nine (9) directors. It is proposed that the number of directors to be elected to the Board at the Meeting be fixed at seven (7).

Unless otherwise instructed, the persons designated in the form of proxy intend to **VOTE FOR** the fixing of the number of directors of the Company at seven (7).

3. Election of the Board of Directors

The Articles state that the holder(s) of the Class B voting shares (the "**Class B Shares**") of the Company shall be entitled to elect one director for each Class B Share held. There are currently two (2) Class B Shares issued and outstanding which are held by Second Alpha Partners I(A), L.P. On April 25, 2013, Second Alpha Partners I(A), L.P. informed the Company that it has exercised its rights in respect of the Class B Shares to appoint Messrs. Richard Brekka and James Sanger of Second Alpha Partners, LLC to serve as directors effective as of April 25, 2013 and has reaffirmed such appointments for 2017.

Five (5) directors, namely Antonio Ciciretto, Matthew Gerber, Michael Martin, Gary Sherlock and Jerry Grafstein, each of whom is currently a director of the Company, stand as nominees for re-election by the holders of the Common Shares at the Meeting.

Jim Nikopoulos and Nicole German, both current directors of the Company will not stand for re-election at the Meeting. The Company has acknowledged and thanked each of Mr. Nikopoulos and Ms. German for their service and substantial contributions as directors. It is anticipated a new Chair of the Board will be appointed shortly following the Meeting amongst the newly elected/appointed directors.

All nominee directors are independent other than Mr. Antonio Ciciretto who is currently President and Chief Executive Officer of the Company.

All nominees have established their eligibility and willingness to serve as directors. Nominees elected as directors will hold office until the close of the next annual meeting of shareholders or until their successors are elected or appointed.

The Company has adopted a majority voting policy pursuant to which, notwithstanding the Company's by-laws and the *Canada Business Corporations Act*, if any director nominee receives a greater number of votes "withheld" from his or her election than votes "for" such election, then, provided the election is uncontested in accordance with the policy, such director nominee must following the receipt of the final scrutineer's report relating to such meeting, immediately submit to the Board his or her offer of resignation, which will take effect only upon the acceptance of such resignation by the Board. The Board, will, within 90 days following such meeting of shareholders, determine either to accept or not accept the subject director's offer to resign, and the Board will cause the Company to promptly disclose publicly, via press release, the Board's determination, including, in cases where the Board has determined not to accept the resignation, the reasons therefor. It is generally expected that the Board will accept such resignation, absent exceptional circumstances.

The following sets forth the names of proposed nominees for election as directors, together with their respective province and country of residence, the year they became a director, their respective principal occupations or employment, their respective memberships with the Board committees, and the number of Common Shares beneficially owned, directly or

indirectly, or over which control or direction is exercised by each of them as of the date of this Management Information Circular.

Name and Place of Residence	Director Since	Principal Occupation	Common Shares ⁽¹⁾
ANTONIO (TONY) CICIRETTO <i>Ontario, Canada</i>	June 23, 2016	President & Chief Executive Officer of the Company	11,442
MATTHEW GERBER ⁽²⁾ <i>Washington, USA</i>	June 23, 2016	Chief Executive Officer, Rohinni LLC	6,729
MICHAEL MARTIN ⁽³⁾ <i>Ontario, Canada</i>	April 16, 2013	Senior Executive Consultant, IBM Canada	20,052
GARY SHERLOCK ⁽⁴⁾ <i>British Columbia, Canada</i>	June 23, 2016	Corporate Director	8,652
HON. JERRY GRAFSTEIN, Q.C. ⁽⁵⁾ <i>Ontario, Canada</i>	July 5, 2001	Corporate Director	149,715

- (1) The information as to Common Shares beneficially owned or controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Mr. Gerber is currently a member of the Audit Committee and the Compensation Committee.
- (3) Mr. Martin is currently a member of the Corporate Governance Committee.
- (4) Mr. Sherlock is currently the Chair of the Audit Committee.
- (5) Mr. Grafstein is currently the Chair of the Corporate Governance Committee.

Additional biographical information for each director nominee is set forth below:

Antonio (Tony) Ciciretto. Mr. Ciciretto serves as TeraGo’s President and Chief Executive Officer, as well as a member of the Board. Mr. Ciciretto has more than 25 years of experience and proven leadership leading both large corporate divisions and small high-growth organizations in the Information Technology, Telecommunications and Cloud markets. He recently served as President & Chief Executive Officer of Cogeco Peer 1 and Cogeco Data Services for over six years, where he was responsible for leading the market growth and development of Cogeco Peer 1 with operational responsibilities for business strategy, marketing, sales, finance, network & data centre operations, services development and customer care. Holding a Master’s Degree in Science from State University of New York and a Bachelor’s Degree in Engineering Technology from Ryerson University, Mr. Ciciretto co-founded, in 2008, and was the President of the TVN Group, a private investment firm. From 2003 to 2007, he was Vice President, Rogers Business Solutions. Prior to that, he held various senior roles at Bell Canada for 15 years culminating with the position of Senior Vice President Sales & Operations at Bell Nexxia. He is a member of the Professional Engineers of Ontario.

Matthew Gerber. Mr. Gerber has over 25 years of global high technology market experience concentrated in the IT infrastructure and mobile computing markets. Mr. Gerber is currently CEO and a board member at Rohinni LLC, a developer of next generation lighting systems for mobile computing applications based in Coeur D’Alene, Idaho. Mr. Gerber is also currently a board member at Digital Fortress, a hybrid managed cloud and colocation services provider based in Seattle, Washington, and Pearson Packaging, a robotics packaging machinery manufacturer based in Spokane, Washington. Prior to his current responsibilities, Mr. Gerber held operating or board roles at several significant cloud computing businesses, including: 2nd Watch, one of Amazon Web Services largest global business partners; IT-Lifeline, one of Amazon Web Services first business partners (which was subsequently sold to Reynolds & Reynolds); and Blue Box Group, the first provider of hosted managed private cloud services on top of OpenStack (which was subsequently sold to IBM). Prior CEO roles for Mr. Gerber include Digital Fortress, IT-Lifeline and SprayCool (a provider of data center infrastructure technology). Mr. Gerber holds a Bachelor of Engineering in Electrical Engineering from the State University of New York at Stony Brook and a Master of Business Administration with Distinction from Hofstra University.

Michael Martin. Mr. Martin has more than 30 years’ experience in broadband, fibre, wireless and digital communications technologies and has been a Senior Executive Consultant with IBM Canada since 2005. He has served on various Boards,

including the Board of Managers of the Toronto Section of the Society of Motion Picture and Television Engineers and the Boards of Advisors of a number of Ontario post-secondary institutes, including Centennial College, Ryerson University, George Brown City College and Humber College Institute of Technology and Advanced Learning. Mr. Martin was a member of the Board of Governors of the University of Ontario Institute of Technology (UOIT) from 2007 to 2011, serving as Vice-Chair from 2009 to 2010 and as a member of the Executive, Senior Compensation, Audit and Finance, and Advancement committees. From 2010 to 2012, he was a member of the board of directors of Avante Logixx Inc. Mr. Martin was previously a founding partner and President of MICAN Communications which provides professional technical and business consulting services to the broadcast industry and earlier was President of Comlink Systems Limited and Ensaf Broadcast Services, Inc., both divisions of Cygnal Technologies Company.

Gary Sherlock. Mr. Sherlock previously served as Chief Executive Officer and Co-CEO of Peer 1 Dedicated Hosting Inc. for eight years. During that time, he led a turnaround of Peer1 Hosting, which was in financial and operational distress, repositioning the company strategically upmarket, restructured the organization, and expanding its operations domestically and globally. Prior to joining Peer1, Mr. Sherlock was Vice President, Business Development and Controller at B.C. Hydro and Power Authority. He has over 20 years of experience in executive positions in both corporate and operational roles in a multi-billion-dollar environment. Due to his experiences and recognition in the field, Mr. Sherlock has spoken at conferences around North America on risk management, business planning and activity-based costing. Mr. Sherlock is a CPA, CA, CMA. He graduated with distinction with a Bachelor of Administration from the University of Regina.

The Honourable Jerry Grafstein, Q.C. Mr. Grafstein was a co-founder of a range of media companies, focusing on broadcasting, cable, communications, and publication enterprises in Canada, the United Kingdom, United States and South America. He has served as an advisor to several key government ministries, including Transportation, External Affairs and Justice. He was appointed to the Senate of Canada in 1984 by then Prime Minister Pierre Elliott Trudeau. Mr. Grafstein has served on all Senate Committees, including the Foreign Affairs and Legal and Constitutional Affairs Committee. He also served as Chairman of the Senate Banking, Trade and Commerce Committee. He retired from the Senate on January 1, 2010 and continued his law practice in corporate finance and communication law as counsel to Minden Gross LLP in Toronto until March 2015. Mr. Grafstein holds an undergraduate degree from the University of Western Ontario and a law degree from the University of Toronto.

Unless otherwise instructed, the persons designated in the form of proxy intend to **VOTE FOR** the election of the proposed nominees standing for election as set out above. If for any reason at the time of the Meeting any of the proposed nominees is unable to serve and unless otherwise specified, it is intended that the persons designated in the form of proxy will vote in their discretion for a substitute nominee or nominees.

Directors Elected by Holder of Class B Shares

The following table sets forth the names of the directors elected by the holder of the Class B Shares, to hold office annually until their successors are elected or appointed, together with their state and country of residence, the year they became a director, their respective principal occupations or employment, their respective memberships with the Board committees, and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date of this Management Information Circular.

Messrs. Brekka and Sanger are both employed with Second Alpha Partners, LLC, a private equity firm that controls Second Alpha Partners I(A), L.P. (the holder of 2,351,094 Common Shares and the two outstanding Class B Shares) and Second Alpha Partners I(B), L.P. (the holder of 910,649 Common Shares).

Name and Place of Residence	Director Since	Principal Occupation	Common Shares ⁽¹⁾
RICHARD BREKKA ⁽²⁾ <i>New York, USA</i>	April 25, 2013	Managing Partner, Second Alpha Partners, LLC	3,262,979
JAMES SANGER ⁽³⁾ <i>Massachusetts, USA</i>	April 25, 2013	Managing Partner, Second Alpha Partners, LLC	Nil

(1) The information as to Common Shares beneficially owned or controlled or directed, not being within the knowledge of the Company, has been furnished by the individual directors. Mr. Brekka owns 1,134 Common Shares directly. Mr. Brekka also exercises control

and direction over the outstanding Common Shares held by Second Alpha Partners I(A), L.P. and Second Alpha Partners I(B), L.P., as well as the outstanding Class B Shares held by Second Alpha Partners I(A), L.P.

- (2) Mr. Brekka is currently the Chair of the Executive Committee and a member of the Corporate Governance Committee.
- (3) Mr. Sanger is currently the Chair of the Compensation Committee.

Additional biographical information for each director elected by the holder of the Class B Shares is set forth below:

Richard Brekka. Mr. Brekka is a Managing Partner and co-founder of Second Alpha Partners, LLC. He currently serves on the boards of TouchCommerce, Sixth Sense Media, June Media and Appia Communications. Prior to founding Second Alpha Partners, LLC, Mr. Brekka was President, Managing Partner and founder of Dolphin Equity Partners, L.P. (“**Dolphin**”), a New York-based venture firm. Between 1998 and 2012, Dolphin raised two funds and invested in nearly three dozen portfolio companies. Before establishing Dolphin, Mr. Brekka was a Managing Director of CIBC’s private equity investment unit and the President of CIBC’s U.S. private equity investment subsidiaries. Prior to joining CIBC, Mr. Brekka was with Chase Capital and prior to that he was an account officer at Swiss Bank Company. Mr. Brekka holds a Bachelor of Science degree in Finance from the University of Southern California and a Master of Business Administration degree from the University of Chicago.

James Sanger. Mr. Sanger is Managing Partner and co-founder of Second Alpha Partners, LLC. He has spent more than twenty years as a venture capitalist, secondary investor, corporate advisor and technology executive. He currently serves as Chairman & CEO of June Media. Prior to Second Alpha Partners, LLC, Mr. Sanger was a General Partner at ABS Ventures, where he focused on investments that combined elements of traditional venture investing with secondary share purchases in growth companies. Before ABS, he was Managing Partner in Deutsche Bank’s DB Capital Venture Partners and Corporate Investments organizations. Mr. Sanger also served as the Chief Technology Officer and Director of Technology Investment for Deutsche Bank’s London-based corporate venturing group. Previously, he held IT management positions at Deutsche Bank, Barclays Bank and Bell Atlantic (now Verizon Communications). Mr. Sanger holds a bachelor’s degree from the University of Pennsylvania.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company (based on information furnished by the directors), none of the director nominees or directors elected by the holder of the Class B Shares, nor any personal holding company thereof owned or controlled by them: (a) is, as at the date of this Management Information Circular, or has been, within the 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (each an “**Order**”) that was issued while the person was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) is, as at the date of this Management Information Circular, or has been within 10 years before the date of this Management 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; or (c) has, within the 10 years before the date of this Management 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 director nominee or director.

To the knowledge of the Company, none of the director nominees or directors elected by the holder of the Class B Shares, nor any personal holding company thereof owned or controlled by them: (i) has been subject to 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) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

4. Appointment and Remuneration of Auditors

The Company proposes that the firm of KPMG LLP Chartered Accountants, Licensed Public Accountants be re-appointed as the auditors of the Company to hold office until the next annual meeting of shareholders and that the directors be authorized to fix their remuneration. KPMG LLP were first appointed as the Company’s auditor on March 30, 2012.

As part of the Company's corporate governance practices, services provided by the auditors are pre-approved by the Audit Committee and comply with professional standards and securities regulations governing auditor independence.

The following table is a summary of billings for services incurred by KPMG LLP, during the years ended December 31, 2016 and 2015:

Type of Work	Year Ended December 31, 2016	Year Ended December 31, 2015
Audit Fees ⁽¹⁾	\$205,000	\$224,500
Audit-Related Fees ⁽²⁾	\$5,500	\$194,200
Tax Fees ⁽³⁾	\$93,227	\$14,388
All Other Fees ⁽⁴⁾	\$Nil	\$Nil
Total	\$303,727	\$433,088

- (1) These fees include professional services provided by the external auditor for the review of the interim financial statements, audits of the annual financial statements and acquired businesses, and the review of financial accounting and reporting matters. Annual audit fees are reported in the above table on an accrual basis regardless of when billed.
- (2) These fees relate to due diligence related to acquisitions and any business acquisition reports, involvement in the Company's prospectus, advice related to compliance with Canadian rules on internal controls and other matters.
- (3) These fees include professional services for tax consultation and compliance services.
- (4) These fees include any other fees for permitted services not included in any of the above-stated categories.

Unless otherwise instructed, the persons designated in the form of proxy intend to **VOTE FOR** the appointment of KPMG LLP as auditors of the Company to hold office until the next annual meeting of shareholders and authorizing the directors to fix the remuneration of KPMG LLP.

5. Approval of Directors' Share Compensation Program and Reservation of Additional Common Shares for Issuance Under Program

In accordance with the Corporation's directors' share compensation program (the "**Directors' Share Compensation Program**"), non-management directors receive annual and committee retainers in the form of Common Shares, as part of the overall compensation paid to directors. See "Board of Directors' Compensation" below for additional information.

The Directors' Share Compensation Program is intended to: (i) promote the achievement of the Corporation's long-term objectives by linking part of the compensation of non-management directors to the interests of the Corporation's shareholders, and (ii) attract and retain directors of outstanding competence.

The total number of Common Shares currently reserved for issuance under the Directors' Share Compensation Program is 500,000. To date, an aggregate of 422,125 Common Shares have been issued under the Directors' Share Compensation Program, representing approximately 3% of the issued and outstanding Common Shares as at the Record Date. Accordingly, 77,875 Common Shares remain available for issuance pursuant to the Directors' Share Compensation Program.

In order to enable the Corporation to continue its practice of paying directors' retainer fees in Common Shares and thereby to maintain an alignment of interests between directors and shareholders, the Board believes that it is important to increase the number of Common Shares reserved for issuance under the Directors' Share Compensation Program. Therefore, the Board has, subject to receipt of requisite shareholder approval and final approval of the Toronto Stock Exchange ("**TSX**"), passed a resolution to approve the updated Directors' Share Compensation Program and reserve and set aside for issuance under the Directors' Share Compensation Program an additional 300,000 Common Shares. The TSX has conditionally approved the Directors' Share Compensation Program and the reservation of the additional Common Shares to be issuable under such program subject to certain conditions, including receipt of requisite shareholder approval.

Under the Directors' Share Compensation Program, the Board may, without TSX and shareholder approval, amend the amount of compensation payable to directors under the Directors' Share Compensation Program. Other amendments to the Directors' Share Compensation Program will be subject to receipt of shareholder approval and the approval of the TSX, to the extent required. The rights and benefits under the Directors' Share Compensation Program are neither assignable nor transferrable. Attached as Schedule C is a copy of the Directors' Share Compensation Program as approved by the Board.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution (the “**Directors’ Share Compensation Program Resolution**”):

BE IT RESOLVED that:

- 1) the Directors’ Share Compensation Program substantially in the form attached to this Management Information Circular as Schedule C is hereby approved and the reservation of an additional 300,000 Common Shares for issuance under such program (increasing the maximum number of Common Shares issuable from 500,000 to 800,000) is hereby approved and confirmed; and
- 2) any one officer or any one director of the Company be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or to cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered all such documents, agreements and other instruments, all in such form and containing such terms and conditions as any one of them shall consider necessary or desirable and shall approve, such approval to be conclusively evidenced by the execution and delivery thereof by the Company, and to do or to cause to be done all such other acts and things as any one officer or one director of the Company shall consider necessary or desirable in order to carry out the intent of the foregoing resolution.

If approved, the total number of Common Shares reserved for issuance under the Directors’ Share Compensation Program will be 377,875 Common Shares, representing approximately 2.6% of the outstanding Common Shares as at the Record Date.

Unless otherwise instructed, the persons designated in the form of proxy intend to **VOTE FOR** the Directors’ Share Compensation Program Resolution.

III. STATEMENT OF EXECUTIVE COMPENSATION

1. Named Executive Officers

The Company had six (6) Named Executive Officers in 2016, being:

1. Antonio Ciciretto, President and Chief Executive Officer¹;
2. Stewart Lyons, President and Chief Executive Officer²;
3. Joe Prodan, Chief Financial Officer³;
4. Ryan Lausman, Chief Operations Officer⁴;
5. Daren Hanson, Vice President, Sales; and
6. Michael Stephens, Vice President, Marketing⁵,

(collectively, the “**Named Executive Officers**” or “**NEOs**”).

¹ Mr. Ciciretto was appointed President and Chief Executive Officer effective September 30, 2016.

² Mr. Lyons served as President and Chief Executive Officer until September 30, 2016.

³ Mr. Prodan served as Chief Financial Officer until March 16, 2017.

⁴ Mr. Lausman served as Chief Operating Officer until December 8, 2016.

⁵ Mr. Stephens served as Vice President, Marketing until October 13, 2016.

2. Compensation Discussion and Analysis

Compensation Philosophy

The Company is a dynamic organization which has recently made strategic acquisitions and has transitioned the Company into a multi-product IT services company focused on securely managing its customers’ data flow. It currently provides businesses across Canada and globally with connectivity, cloud and colocation services. The level of talent required to drive the business and to carry out its strategy while competing with large, well established organizations and brands can be challenging to develop and/or recruit. The Compensation Committee of the Board (the “**Compensation Committee**”) and the Board view the recruitment and retention of top industry talent as a key corporate priority in the seamless operation and performance of the Company. In order to accomplish its goals and to ensure that the compensation program is consistent with its direction, strategy, stated mission and goals, the Company is committed to a “pay for performance” culture. The Compensation Committee, the Board and management place significant emphasis on the impact of its executive compensation and total rewards program.

The executive compensation and total rewards program is intended to:

- provide competitive compensation vehicles that are consistent with the Company’s business plan, strategy, financial objectives and operating performance;
- attract highly qualified individuals necessary to expand the business;
- retain and motivate executives to achieve higher levels of performance and be appropriately rewarded for that effort;
- emphasize a “pay-for-performance” variable incentive structure that rewards individual, team and corporate performance, while supporting company goals, with a view toward increasing Shareholder value; and
- align the interests of shareholders and executives.

The Company is committed to growing, developing and enriching the careers of the top talent within the Company. In addition, it is widely recognized that the success of the organization internally and in the marketplace is driven by the success and leadership of the executive team. As such, there is considerable time, energy and focus committed to the talent and succession review and planning process. While each executive is assessed on their own personal contributions, the accomplishments of the executive group as a team is viewed with great importance as it drives the business, culture and shareholder value.

The Compensation Committee’s decisions about executive compensation policies and practices are made within the context of the Company’s goals and strategies. To this end, the Compensation Committee’s mandate is to oversee management in the attraction and retention of talented and highly motivated people that will excel in a fast-paced and challenging environment.

Compensation Committee

The Compensation Committee provides oversight of overall compensation philosophy, policies, practices and programs. The Compensation Committee works closely with management as well as external compensation consulting practices from time to time to ensure they are knowledgeable regarding the most current market data and trends. The Compensation Committee makes recommendations to the Board concerning the level, nature and mix of compensation payable to the executive officers of the Company. This review includes the President and Chief Executive Officer and the other NEOs. The Compensation Committee also makes recommendations to the Board concerning annual incentive levels, executive perquisites, short-term incentives and long-term incentives.

The Committee currently consists of James Sanger (Chair), Nicole German and Matthew Gerber, each of whom is “independent” within the meaning of the corporate governance disclosure rules adopted by the Canadian Securities Administrators. The Board as a whole reviews the recommendations of the Compensation Committee and gives final approval on compensation matters for the Company’s executive officers as well as on major policy changes related to remuneration.

The Board is of the view that the members of the Committee collectively have the relevant skills and experience necessary to enable the Committee to make decisions as to the suitability of the Company’s compensation policies and practices. All committee members have a thorough understanding of policies, principles, and governance related to human resources and executive compensation, and the necessary financial acumen to apply to the evaluation of executive compensation programs. They have acquired this knowledge through direct experience in existing and prior roles that is relevant to their responsibilities in executive compensation. This ensures a strong overlap and broader perspective related to the organization’s financial results, risk profile, and compensation outcomes. For more information on the occupations, skills, experience, and independence of each Committee member, please refer to each director’s biographical information contained in this Management Information Circular.

In 2016, the Compensation Committee met ten (10) times. From time to time, the members of management, including the President and Chief Executive Officer, attend the meetings at the invitation of the Chair of the Compensation Committee. As appropriate at each meeting, the Compensation Committee held an *in camera* session without management or any independent advisors present.

Compensation Consultant and Advisor

The Compensation Committee has the authority to retain consulting firms from time to time to assist in carrying out the Compensation Committee’s responsibilities, including determining the compensation of the President and Chief Executive Officer and other executive officers. No compensation consultant or advisor at any time since the Company’s two most

recently completed financial years has been retained to assist the Board or the Compensation Committee in determining compensation for any of the Company's directors or executive officers.

Input from Management

The Compensation Committee also meets with the President and Chief Executive Officer and other members of management and will consider management recommendations regarding:

- Executive compensation, including base salary, target bonus, long-term incentives and perquisites;
- Short-term incentive design and metrics;
- Long-term incentive performance metrics; and
- Review of corporate and individual performance achievement.

Benchmarking

The Company operates in a highly competitive industry. It is critical that the organization is in a position to both attract and retain key talent from a variety of organizations and industries. As such, benchmarking data from time to time of a comparable group of companies, made up of competitors of all sizes as well as other Canadian companies of similar size is valuable to the success of the executive and director compensation and total rewards program.

Periodically, the Company undertakes a competitive market benchmarking for executive and director positions. Due to the fact that the Company operates within a diverse and dynamic industry, current market data and trends, as well as position specific information, are imperative reference points for the Compensation Committee. These periodic reviews highlight areas of opportunity and risk regarding executive and director compensation and executive and director talent. The Compensation Committee is confident in its approach and recommendations designed to drive the attraction, retention and motivation of successful executives and directors with a focus on performance.

The Compensation Committee is committed to having all relevant data available to shape practices regarding executive base salaries, short-term and long-term incentives. The Compensation Committee seeks to find a balance between pay for performance, retention and alignment with objectives of the Company's shareholders.

Risk Assessment and Oversight

The Company has conducted an assessment of its compensation programs, policies and practices for its executives relative to risk and whether they create a reasonable likelihood of a material adverse effect on the Company. Based on this assessment, which also considered the control environment and approval processes in place, the Compensation Committee has not identified any risks arising from the Company's compensation policies and practices that would be likely or would reasonably cause a material adverse effect on the Company. The Compensation Committee believes that the Company's executive compensation program encourages the taking of risks that are reasonable, appropriate and properly managed, while not encouraging management to take unreasonable risks relating to the Company's business. Executives are not rewarded for taking excessive or inappropriate risks or those which would have a material adverse effect on the Company for the following reasons: (i) our total compensation package consists of both base (or fixed) and variable compensation; (ii) the performance metrics for variable compensation include key strategic objectives for the Company, including revenue growth, EBITDA, and free cash flow; (iii) our restricted share units and performance-based restricted share units are subject to three-year vesting periods, reducing incentives on the part of executives to any imprudent short-term risks; and (iv) we have strict internal financial controls.

3. Components of Executive Compensation

The mix of the Company's executive compensation and total rewards structure include:

- base salary;
- performance-based annual incentive;
- long-term incentive plans; and
- executive benefits and perquisites.

In determining the appropriate mix of pay for each NEO, the Compensation Committee considers the most recently benchmarking data from a prior year, as well as the experience, skills, qualifications, ability, future potential, retention risk and overall performance of each individual. The Compensation Committee's due diligence in determining the pay mix includes thorough analysis of various scenarios and the impact on each pay lever.

Base Salary

Annual base salaries for the NEOs are established at levels which are designed to be competitive within the Canadian marketplace. Base salaries are determined following an internal assessment and external review. Internally, the executive officer's individual performance, experience, scope and responsibility, as well as impact of position with the Company is assessed. Externally, a market benchmarking review is undertaken, as required, which considers comparable companies.

On an annual basis, the Compensation Committee reviews and makes recommendations to the Board concerning the base salaries payable to the NEOs.

Annual Incentives

Annual incentives provide the executive with the opportunity to earn cash incentives based on the achievement of pre-established performance goals approved annually by the Board. The allocation of annual incentives to the executive officers is determined annually by the Board based on recommendations from the Compensation Committee.

The following table outlines the minimum, target and maximum annual incentive for each NEO in 2016, as a percentage of the executive's base salary:

NEO Name	Minimum Annual Incentive (% of salary)	Target Annual Incentive (% of salary)	Maximum Annual Incentive (% of salary)
ANTONIO CICIRETTO..... <i>President & Chief Executive Officer</i>	0%	55%	110%
STEWART LYONS..... <i>Former President & Chief Executive Officer</i>	0%	55%	110%
JOE PRODAN..... <i>Former Chief Financial Officer</i>	0%	40%	80%
RYAN LAUSMAN..... <i>Former Chief Operations Officer</i>	0%	40%	80%
DAREN HANSON..... <i>Vice President, Sales</i>	0%	40%	80%
MICHAEL STEPHENS..... <i>Former Vice President, Marketing</i>	0%	40%	80%

The annual incentive plan includes corporate performance metrics against which all executives are measured. In addition, and in alignment with the "pay for performance" culture, each NEO has measurable and individual performance goals, specific to their functional area of responsibility. In accordance with the terms of the Company's 2016 Annual Incentive Program, if a corporate performance measure is achieved, 100% of the target award value for that measure is paid to the executive. A stretch payment for achievement above, or a reduced payment for achievement below a target is determined at the discretion of the Board.

Each year, the Board determines the performance measures to be used for awarding annual cash incentives and the various weightings to be applied to those criteria. Corporate performance measures and weightings for the 2016 Annual Incentive Program consisted of:

Metric	Target	Weight
Access Revenue	\$40,700,000	20%
Cloud and Data Centre Revenue	\$19,000,000	30%
Cross Sell Revenue	\$ ¹	10%
Adjusted EBITDA	\$17,066,000	30%
Free Cash Flow ²	\$5,753,000	10%

¹ Not disclosed due to prejudicial impact to Company's interests from disclosure of sales strategy and focus.

² The Company calculates Free Cash Flow as Adjusted EBITDA minus the dollar amount of capital expenditures during the year.

The following conditions apply to payouts under the 2016 Annual Incentive Program:

- Each corporate target is independent of each other;
- The minimum achievement on both corporate and individual objectives is 75%;
- Individual objective achievement can stretch to 200%; and
- Corporate objective achievement can stretch up to a 200% maximum.

The Compensation Committee reviews the actual financial and operational results against the previously approved annual targets to determine the recommended annual incentive payments. In 2016, the corporate performance achievement was 117%. Certain of the performance metrics and targets are based on non-IFRS financial measures such as "Cross Sell Revenue", "Adjusted EBITDA" and "Free Cash Flow" which do not have a standard meaning and may not be a reliable way of comparison as against other companies. The Company calculates certain of these performance metrics and targets from financial figures disclosed in its financial statements. Non-IFRS financial measures such as "Adjusted EBITDA" are identified in the financial statements and are reconciled back to IFRS financial figures.

Long Term Incentive Plans

The Compensation Committee believes that long term incentive awards should comprise a large portion of the total compensation package for executive officers, which is consistent with market practice and the corporate executive compensation and total reward philosophy. Ultimately, the goal of this component of the compensation mix is to:

- **Attract and retain high performing executives** - Long-term incentives should be competitive, have upside potential and be regarded by participants as being fair and appropriate.
- **Alignment with Shareholders** - Long-term incentives need to reward value creation that will benefit shareholders.
- **Focus and Motivate** - Long-term incentives should reward for performance with a focus on continuous improvement. The program should drive and increase executive engagement.

The Company utilizes both its 2007 Share Option Plan (the "**2007 Option Plan**") and its Restricted Share Unit plan (the "**RSU Plan**") as long-term incentive vehicles for executive officers. The Compensation Committee makes option, Restricted Share Unit ("**RSUs**") and Performance Share Units ("**PSUs**") grant recommendations to the Board based on the above noted goals. Such grants are expected to be made in the future on a periodic basis, at the discretion of the Compensation Committee and based on performance in connection with the review of an executive officer's compensation package. Grants under these long-term incentive plans may also be made upon hire or promotion and as special recognition for extraordinary performance.

Option Plans

2007 Option Plan - The Company has adopted the 2007 Option Plan, pursuant to which the Board may in its discretion grant stock options from time to time to employees, directors and officers of the Company. The 2007 Option Plan is administered by the Board. Options are not be transferable. If a participant's employment is terminated without cause, all vested options may be exercised within the shorter of 90 days or the balance of the option's term, and all unvested options will be cancelled. If a participant's employment is terminated for cause, all options, vested and unvested, will be immediately cancelled.

The 2007 Option Plan provides for a fixed maximum of 832,697 Common Shares to be issuable pursuant to the plan (which represents 15% of the aggregate number of equity shares of the Company outstanding immediately following the Company's initial public offering on June 26, 2007, less 799,031 Common Shares issuable under the Original Plan (as defined below)). The exercise price of any option granted under the 2007 Option Plan will be the market price of the Common Shares at the date of the grant. Unless otherwise determined by the Board, options will expire ten years after the date of grant, and will vest on a quarterly basis in 12 equal amounts over three years following the grant date. All options under the 2007 Option Plan will vest immediately on a change of control of the Company. Any option granted under the 2007 Option Plan that expires or is cancelled without having been fully exercised may be subject to a future option grant. If any option expires during or within 10 days after the last day of a black-out period during which the policy of the Company prevents a holder from trading in the Common Shares, then the expire date for such options will be extended to the last day of such 10-day period.

Original Plan - The Company also has a share option plan dated June 18, 2007 which sets out the terms and conditions of options issued prior to June 18, 2007 (the “**Original Plan**”). No new options are issuable under the Original Plan after the Company’s initial public offering. All outstanding options under the Original Plan vested on the closing of the Company’s initial public offering. If a participant’s employment is terminated for cause, all options are immediately cancelled. Any options that remain unexercised after ten years from the vesting date will expire.

The 2007 Option Plan and the Original Plan are collectively referred to as the “**Option Plans**” in this Management Information Circular.

RSU Plan

The RSU Plan was established to retain and motivate employees, officers and directors of the Company and to promote a greater alignment of interests between these individuals and the shareholders of the Company. As part of the Company’s long-term incentive program, the Compensation Committee believes the RSU Plan gives the Company increased flexibility in delivering the mix of executive compensation and total rewards. Both PSUs and RSUs may be granted under the RSU Plan. RSUs and PSUs entitle participants to receive, at the discretion of the Company, Common Shares purchased on the open market, cash equal to the market value of the same number of Common Shares, or a combination thereof. No Common Shares are issuable by the Company from treasury pursuant to the RSU Plan.

RSUs and PSUs have a maximum vesting period of three years and, unless stipulated otherwise under agreement with the holder or employee, will only vest if there has been continuous employment by an employee until the vesting date. RSUs generally vest based on time and a holder of RSUs will generally not be entitled to receive Common Shares until the holder has held the corresponding RSUs for a specified period of time. PSU vesting is subject to the achievement of certain performance metrics (ie; EBITDA, Revenue Growth, market price) as averaged over a three year performance period and as determined by the Board. RSUs and PSUs are granted to eligible employees, officers or directors based on individual performance, potential and market competitiveness.

There is an acceleration of vesting of the RSUs and PSUs in the event of a change of control transaction involving the Company.

In 2016, the Board approved and granted a total of 12,244 RSUs and 255,832 PSUs to select NEOs and other employees as part of their 2016 compensation package.

Benefits and Perquisites

The Company offers group life, health and dental insurance, disability insurance, vacation and other benefits to the NEOs and other executives. These benefits are competitive while containing costs. Additionally, the organization currently provides a limited number of perquisites in the form of car allowance and club memberships to certain NEOs. These include a perquisite allowance which is intended as compensation for automobile expenses.

4. Summary Compensation Table

The following table shows the amount and type of compensation granted to the NEOs during the financial years ended December 31, 2016, 2015 and 2014.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards ⁽¹⁾ (\$)	Option-Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation		All Other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽³⁾ (\$)	Long-Term Incentive Plans (\$)		
ANTONIO CICIRETTO ⁽⁵⁾ ... <i>President and Chief Executive Officer</i>	2016	114,231	60,000	-	73,586	-	-	247,817
	2015	-	-	-	-	-	-	-
	2014	-	-	-	-	-	-	-
STEWART LYONS ⁽⁶⁾ <i>Former President and Chief Executive Officer</i>	2016	342,452	425,000	-	-	-	1,008,682	1,776,134
	2015	425,000	321,318	40,453	315,563	-	-	1,102,334
	2014	383,333	245,000	1,421,252	199,356	-	-	2,248,941

JOE PRODAN ⁽⁷⁾ <i>Chief Financial Officer</i>	2016	275,000	275,000	-	128,710	-	-	678,710
	2015	275,000	275,000	-	130,900	-	-	680,900
	2014	250,144	802,500	-	99,753	-	-	1,152,397
RYAN LAUSMAN ⁽⁸⁾ <i>Chief Operations Officer</i>	2016	242,487	183,750	-	96,465	-	260,950	783,652
	2015	245,000	183,750	-	116,620	-	-	545,370
	2014	185,051	85,250	-	74,373	-	-	344,674
DAREN HANSON ⁽⁹⁾ <i>Vice President, Sales</i>	2016	200,000	150,000	-	93,607	-	-	443,607
	2015	28,846	-	-	13,824	-	-	42,670
	2014	-	-	-	-	-	-	-
MICHAEL STEPHENS ⁽¹⁰⁾ <i>Vice President, Marketing</i>	2016	151,148	-	-	53,205	-	214,875	419,228
	2015	190,000	95,000	-	90,440	-	-	375,440
	2014	190,000	75,000	-	76,000	-	-	341,000

- The amounts represent the fair value on the grant date of either the RSUs or PSUs awarded pursuant to the RSU Plan. The fair value on the grant date of each PSU or RSU granted is based on the closing price of the Common Shares on the TSX on the grant date. The vesting of PSUs is dependent upon the achievement of established performance conditions set out by the board of directors.
- The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model using assumptions based on expected life, risk free rate, expected dividend yield and expected volatility.
- The only non-equity annual incentive plan is described under the heading “Components of Executive Compensation – Annual Incentives”.
- None of the NEOs have been provided perquisites, including property or other benefits that are not generally available to all employees that in aggregate are worth \$50,000 or more, or are worth 10% or more of a NEO’s total salary for the financial year.
- Mr. Ciciretto joined the Company and was appointed President and Chief Executive Officer on September 30, 2016. Mr. Ciciretto also served as a non-management director of the Company from June 23, 2016 to September 30, 2016. His compensation in connection with serving as a non-management director during this period is disclosed under the section “Board of Directors’ Compensation” in this Management Information Circular.
- Mr. Lyons joined the Company on January 6, 2014 and served as President and Chief Executive Officer until September 30, 2016.
- Mr. Prodan joined the Company on February 4, 2014 and served as Chief Financial Officer until March 16, 2017.
- Mr. Lausman joined the Company on March 4, 2014 and served as Vice President of Data Centres and IT Operations and later as Chief Operations Officer until December 8, 2016.
- Mr. Hanson joined the Company on November 9, 2015 as Vice President, Sales.
- Mr. Stephens served as Vice President, Marketing until October 13, 2016.

5. Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table provides information with respect to stock options, RSUs and PSUs outstanding and held by the NEOs as of December 31, 2016.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price ⁽²⁾ (\$)	Option expiration date	Value of unexercised in-the-money options ⁽³⁾ (\$)	Number of shares or units of shares that have not vested ⁽⁴⁾ (#)	Market or payout value of share-based awards that have not vested ⁽⁵⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
ANTONIO CICIRETTO..... <i>President and Chief Executive Officer</i>	-	-	-	-	12,244 ⁽⁸⁾	55,098	-
STEWART LYONS..... <i>Former President and Chief Executive Officer</i>	261,853 ⁽⁶⁾	5.77	29/6/2018	-	-	-	-
	229,172 ⁽⁷⁾	5.77	29/6/2018	-	-	-	-
	12,000 ⁽⁶⁾	6.25	29/6/2018	-	-	-	-
JOE PRODAN..... <i>Former Chief Financial Officer</i>	-	-	-	-	58,510	263,295	-
	-	-	-	-	44,354	199,593	-
	-	-	-	-	150,000 ⁽⁸⁾	675,000	-

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price ⁽²⁾ (\$)	Option expiration date	Value of unexercised in-the-money options ⁽³⁾ (\$)	Number of shares or units of shares that have not vested (#) ⁽⁴⁾	Market or payout value of share-based awards that have not vested (\$) ⁽⁵⁾	Market or payout value of vested share-based awards not paid out or distributed (\$)
RYAN LAUSMAN <i>Former Chief Operations Officer</i>	-	-	-	-	-	-	-
DAREN HANSON..... <i>Vice President, Sales</i>	-	-	-	-	31,914	143,613	-
MICHAEL STEPHENS <i>Former Vice President, Marketing</i>	-	-	-	-	-	-	-

- (1) Each option entitles the holder to purchase one Common Share at the specified exercise price.
- (2) The exercise price of an option is equal to the closing price of the Common Shares on the Toronto Stock Exchange (“TSX”) on the date of grant.
- (3) Option are “in-the-money” at year end if the market value of the underlying Common Shares as at that date exceed the exercise price of the option. The closing price on the TSX of the Common Shares as at December 30, 2016 was \$4.50.
- (4) Other than as noted, figures represent PSUs that have not vested.
- (5) The market or payout value of RSUs and/or PSUs that have not vested is based on the closing price of the Common Shares on the TSX on December 30, 2016, being \$4.50. The vesting of PSUs is dependent upon the achievement of established performance conditions set out by the board of directors.
- (6) Options issued pursuant to the 2007 Option Plan.
- (7) Issued as employment inducement options outside of the 2007 Option Plan. Common Shares issuable upon exercise of such options have been accepted for listing on the TSX.
- (8) Issued as RSUs pursuant to the RSU Plan.

Incentive Plan Awards – Value Vested or Earned in 2016

The following table provides information on the vesting and payouts of awards under the Company’s incentive plans for the year ended December 31, 2016.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year ⁽²⁾ (\$)	Non-equity incentive plan compensation – value earned during the year ⁽³⁾ (\$)
ANTONIO CICIRETTO..... <i>President and Chief Executive Officer</i>	-	-	73,586
STEWART LYONS..... <i>Former President and Chief Executive Officer</i>	487,249	-	-
JOE PRODAN..... <i>Former Chief Financial Officer</i>	-	-	128,710
RYAN LAUSMAN..... <i>Former Chief Operations Officer</i>	-	-	96,465
DAREN HANSON..... <i>Vice President, Sales</i>	-	-	93,607
MICHAEL STEPHENS..... <i>Former Vice President, Marketing</i>	-	24,998	53,205

- (1) Stock options vest on a quarterly basis in 12 equal instalments over three years following the grant date.
- (2) RSUs vest on the third anniversary of the grant date and PSUs vest on the third anniversary of the grant date, subject to performance vesting conditions.
- (3) The amount shown represents the annual incentive awards for 2016 as shown in the “Non-Equity Incentive Plan Compensation – Annual Incentive Plans” column of the Summary Compensation Table.

See “Long Term Incentive Plans” for a description of the Company’s Option Plans and RSU Plan and significant terms of such plans. See “Annual Incentives” for a description of the terms and targets for annual incentives paid to NEOs.

6. Pension Plan Benefits

The Company does not provide any pension plan for any of its NEOs or directors, nor does it have a deferred compensation plan.

IV. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as at December 31, 2016 regarding the Common Shares issuable upon the exercise of options outstanding under the Company’s Option Plans, the weighted average exercise price of such options and the number of Common Shares remaining available for issuance under the Option Plans.

Plan Category	Securities to be issued on exercise of outstanding options, warrants and rights (#) (a)	Weighted average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (#) (c)
Equity compensation plans approved by securityholders ⁽¹⁾	442,478	6.78	314,385
Equity compensation plans not approved by securityholders ⁽²⁾	229,172	5.77	0
Total	671,650	5.99	314,385

(1) The 2007 Option Plan and the Original Plan were approved by shareholders of the Company prior to the Company’s initial public offering.

(2) Issued as employment inducement options outside of the 2007 Option Plan to an officer of the Company. The inducement options are subject to the terms and conditions set out in the 2007 Option Plan. Common Shares issuable upon exercise of such options have been accepted for listing on the TSX.

V. BOARD OF DIRECTORS’ COMPENSATION

In 2016, the directors of the Company were compensated on the following basis, in accordance with the Directors’ Share Compensation Program. The Directors’ Share Compensation Program is used for the payment to non-management directors for annual and committee retainers in the form of Common Shares, as part of the overall compensation paid to directors. See “Business of the Meeting - Approval of Directors’ Share Compensation Program and Reservation of Additional Common Shares for Issuance Under Program” for a detailed description of the Directors’ Share Compensation Program.

1. Annual Director Retainer

Each director in 2016, other than Mr. Lyons (who was a member of management) and Mr. Ciciretto (who received a pro-rated amount for the period he served as a non-management director until September 30, 2016) was entitled to an annual Board retainer in Common Shares with a value of \$25,000. The price used to determine the number of such Common Shares to be issued to the directors was the volume-weighted average trading price for the Common Shares for the 20 trading days immediately prior to the Company’s annual meeting of shareholders in each year. These Common Shares were issued quarterly in four equal instalments.

2. Committee Members

Each director participating as a member of a Board committee that was entitled to annual director retainer received in addition, the following annual committee member retainers:

Audit Committee:	\$5,000 in Common Shares
Compensation Committee:	\$5,000 in Common Shares
Governance Committee:	\$5,000 in Common Shares
Executive Committee:	\$5,000 in Common Shares

All such Common Shares were determined, earned and issued in the same manner as with the annual director retainer.

3. Board and Committee Chairs

In addition, to the extent a Chairperson of the Board or a Board Committee was entitled to the annual director retainer, each such Chairperson also received the following annual retainer for their services:

Board:	\$75,000 in Common Shares
Audit Committee:	\$15,000 in Common Shares
Compensation Committee:	\$7,500 in Common Shares
Governance Committee:	\$7,500 in Common Shares
Executive Committee:	\$7,500 in Common Shares

All such Common Shares were determined, earned and issued in the same manner as with the annual director retainer.

4. Other Fees and Expenses

Each director entitled to receive an annual director retainer is also paid a fee of \$1,000 cash per three (3) cumulative hours of attendance (in person or by teleconference) at Board and Committee meetings. Travel expenses were reimbursed based upon economy air travel, and local business hotel arrangements were paid against submitted receipts.

5. Board and Committee Meeting Attendance

The following table summarizes the meetings of the Board and its Committees held for the year ended December 31, 2016, together with the attendance of individual directors of the Company at such Board meetings and Committee meetings in which such director is a Committee member.

Director	Board of Directors (11 meetings)	Audit (4 meetings)	Corporate Governance (2 meetings)	Compensation (10 meetings)	Executive (0 meetings)
CHARLES ALLEN ⁽¹⁾	7 of 7	2 of 2	-	-	-
STEWART LYONS ⁽²⁾	8 of 9	-	-	-	-
GRANT BALLANTYNE ⁽³⁾	7 of 7	2 of 2	-	-	-
JERRY GRAFSTEIN ⁽⁴⁾	9 of 11	-	-	4 of 4	-
RICHARD BREKKA ⁽⁵⁾	11 of 11	-	2 of 2	-	-
JAMES SANGER ⁽⁶⁾	10 of 11	-	-	8 of 10	-
MICHAEL MARTIN ⁽⁷⁾	9 of 11	-	2 of 2	-	-
JIM NIKOPOULOS ⁽⁸⁾	11 of 11	-	2 of 2	-	-
NICOLE GERMAN ⁽⁹⁾	11 of 11	3 of 4	-	10 of 10	-
ANTONIO CICIRETTO ⁽¹⁰⁾	4 of 4	-	-	-	-
GARY SHERLOCK ⁽¹¹⁾	4 of 4	2 of 2	-	-	-

MATTHEW GERBER ⁽¹²⁾	4 of 4	2 of 2	-	6 of 6	-
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- (1) Mr. Allen was Chair of the Board, Chair of the Executive Committee and a member of the Audit Committee until June 23, 2016 when he retired from the Board.
- (2) Mr. Lyons served as a member of the Board until September 30, 2016.
- (3) Mr. Ballantyne was a member of the Board and Chair of the Audit Committee until June 23, 2016 when he retired from the Board.
- (4) Mr. Grafstein was a member of the Compensation Committee until June 23, 2016 and joined the Corporate Governance Committee and served as its Chair beginning June 23, 2016.
- (5) Mr. Brekka served as Chair of the Corporate Governance Committee until June 23, 2016 and remained as a member of the Committee for the remainder of 2016. He served on the Executive Committee in 2016 and became Chair of the Committee on June 23, 2016.
- (6) Mr. Sanger was a member of the Compensation Committee during 2016 and served as its Chair beginning June 23, 2016.
- (7) Mr. Martin was a member of the Corporate Governance Committee during 2016.
- (8) Mr. Nikopoulos began serving as the Chair of the Board and a member of the Executive Committee effective June 23, 2016 and ceased to be member of the Corporate Governance Committee effective June 23, 2016.
- (9) Ms. German served as Chair of the Compensation Committee until June 23, 2016 and remained as a member of the Committee for the remainder of 2016. She served as a member of the Audit Committee during 2016.
- (10) Mr. Ciciretto was elected to the Board on June 23, 2016 and was subsequently appointed as President and Chief Executive Officer effective September 30, 2016. He was a member of the Executive Committee until he became a member of management of the Company.
- (11) Mr. Sherlock was elected to the Board on June 23, 2016 and has since served as Chair of the Audit Committee.
- (12) Mr. Gerber was elected to the Board on June 23, 2016 and has since served as a member of both the Audit Committee and Compensation Committee.

6. Directors' Compensation Table for 2016

Name	Fees earned (\$) ⁽¹⁾	Share-based awards			Option-based awards (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
		Annual Retainer (\$) ⁽²⁾	Committee Member Retainer (\$) ⁽²⁾	Committee Chair Retainer (\$) ⁽²⁾⁽³⁾				
CHARLES ALLEN ⁽⁴⁾	7,390	12,500	5,000	41,250	-	-	-	66,140
GRANT BALLANTYNE ⁽⁴⁾ ..	6,610	12,500	2,500	7,500	-	-	-	29,110
JERRY GRAFSTEIN	11,057	25,000	5,000	3,750	-	-	-	44,807
RICHARD BREKKA	15,640	25,000	10,000	7,500	-	-	-	58,140
JAMES SANGER	13,217	25,000	5,000	3,750	-	-	-	46,967
MICHAEL MARTIN	9,557	25,000	7,500	-	-	-	-	42,057
JIM NIKOPOULOS	13,217	25,000	5,000	37,500	104,112 ⁽⁷⁾	-	-	184,829
NICOLE GERMAN	15,800	25,000	10,000	3,750	-	-	-	54,550
ANTONIO CICIRETTO ⁽⁵⁾⁽⁶⁾	1,417	6,250	1,250	-	-	-	-	8,917
GARY SHERLOCK ⁽⁶⁾	5,640	12,500	2,500	7,500	-	-	-	28,140
MATTHEW GERBER ⁽⁶⁾	7,883	12,500	5,000	-	-	-	-	25,383

- (1) Fees paid in cash for attendance at meetings of the Board or Committees.
- (2) Directors received annual and committee retainers in the form of Common Shares, as opposed to cash pursuant to the Directors' Share Compensation Program. These Common Shares were distributed quarterly in four equal instalments.
- (3) Directors who served as Chairperson for a Committee received an additional retainer for their services in the form of Common Shares. These Common Shares were distributed quarterly in four equal instalments.
- (4) Director retired effective on June 23, 2016.
- (5) Mr. Ciciretto served as a non-management director from June 23, 2016 to September 30, 2016. He was appointed as President and Chief Executive Officer of the Company effective on September 30, 2016 and his compensation for this role is as disclosed under "Statement of Executive Compensation – Summary Compensation Table".
- (6) Director first elected to serve on Board on June 23, 2016.
- (7) Mr. Nikopoulos was issued 40,000 options upon being appointed to the Chair of the Board on June 23, 2016. See below "Outstanding share-based awards and option-based awards of the Directors" for additional details for these options.

7. Outstanding share-based awards and option-based awards of the Directors

The following table provides information regarding the option-based awards for each non-employee director outstanding as at year ended December 31, 2016. The directors' annual, committee, and chair retainer fees are paid in Common Shares and such share-based compensation is disclosed above in the Table "Directors' Compensation Table for 2016". No other share-based award plan has been adopted for the directors.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities underlying unexercised options ⁽¹⁾ (#)	Option exercise price (\$)	Option expiration date ⁽²⁾	Value of unexercised in-the-money options ⁽³⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
CHARLES ALLEN.....	17,123 40,000	4.00 11.75	1/1/2017 to 6/26/2017 6/18/2017	8,562 -	-	-	-
GRANT BALLANTYNE	-	-	-	-	-	-	-
JERRY GRAFSTEIN.....	17,091	4.00	1/1/2017 to 6/26/2017	8,546	-	-	-
RICHARD BREKKA.....	-	-	-	-	-	-	-
JAMES SANGER	-	-	-	-	-	-	-
MICHAEL MARTIN	-	-	-	-	-	-	-
JIM NIKOPOULOS.....	10,000 9,400 40,000	5.05 6.40 5.12	6/22//2018 12/14/2017 6/22/2026	- - -	-	-	-
NICOLE GERMAN.....	-	-	-	-	-	-	-
ANTONIO CICIRETTO..	-	-	-	-	-	-	-
GARY SHERLOCK.....	-	-	-	-	-	-	-
MATTHEW GERBER.....	-	-	-	-	-	-	-

(1) Each option entitles the holder to purchase one Common Share at the specified exercise price.

(2) Date ranges indicate both the earliest date and last date when such options expire.

(3) Option is "in-the-money" at year end if the market value of the underlying Common Share as at that date exceed the exercise price of the option. The closing price on the TSX of the Common Shares as at December 30, 2016 was \$4.50.

8. Incentive Plan Awards – Value Vested or Earned in 2016

The following table provides information on the vesting and payouts of awards for each non-employee director under the Company's incentive plans for the year ended December 31, 2016.

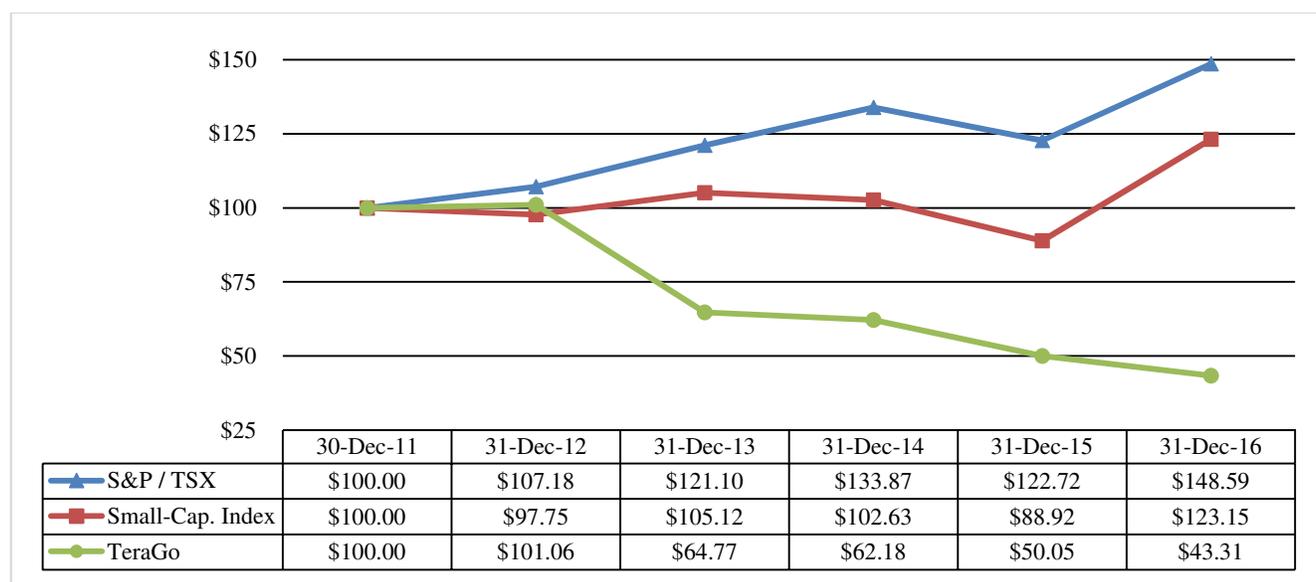
Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
CHARLES ALLEN.....	-	-	-
GRANT BALLANTYNE.....	-	-	-
JERRY GRAFSTEIN.....	-	-	-
RICHARD BREKKA.....	-	-	-
JAMES SANGER	-	-	-
MICHAEL MARTIN	-	-	-

JIM NIKOPOULOS	17,353	-	-
NICOLE GERMAN	-	-	-
ANTONIO CICIRETTO ⁽²⁾	-	-	-
GARY SHERLOCK.....	-	-	-
MATTHEW GERBER	-	-	-

- (1) The directors' annual, committee, and chair retainer fees are paid in Common Shares and such share-based compensation is disclosed above in the Table "Directors' Compensation Table for 2016".
- (2) Mr. Ciciretto was appointed as President and Chief Executive Officer of the Company effective on September 30, 2016 and the incentive plan awards paid to him for this role is as disclosed under "Statement of Executive Compensation – Summary Compensation Table".

VI. COMMON SHARE PERFORMANCE GRAPH

Since June 26, 2007, the Common Shares have been listed and posted for trading on the TSX under the symbol "TGO". The following graph compares the cumulative total shareholder return for \$100 invested in the Common Shares with the total cumulative total return for \$100 invested in each of the S&P/TSX Composite Index (assuming dividends reinvested) and S&P/TSX Small Cap Index (assuming dividends reinvested) for the five year period from December 31, 2011 to December 31, 2016. The Common Shares are not included in either of the S&P/TSX Composite Index or S&P/TSX Small Cap Index.



The Compensation Committee believes that the performance of the Company in general as compared to the comparative indices used is reflective in total NEO compensation over such period.

VII. TERMINATION AND CHANGE OF CONTROL BENEFITS

1. Employment Agreements

Each NEO has entered into an employment agreement with TeraGo Networks Inc. ("TNI"), a wholly-owned operating subsidiary of the Company. These agreements are subject to review and change as determined and approved by the Board and the NEO, as applicable, from time to time.

If TNI terminates the employment of any NEO, other than for cause, such NEO shall be entitled to a severance payment from TNI in an amount equal to the aggregate of:

- In the case of Mr. Ciciretto, the base salary and car allowance that would otherwise have been paid to such officer had his employment continued for a period of 18 months following the termination date, plus 1.5 times his Average Annual Bonus.
- In the case of Mr. Hanson, the base salary and car allowance that would otherwise have been paid to such officer

had his employment continued for a period of 9 months following the termination date,

- In the case of each of Mr. Lyons, Mr. Lausman, Mr. Stephens and Mr. Prodan, their employment with the Company ceased either during the year ended December 31, 2016 or since such year end. The aggregate payouts and payables to each are as follows:

Name	Date Ceased Employment	Aggregate Payout/Payable Amount (\$)¹
STEWART LYONS	September 30, 2016	2,000,000
RYAN LAUSMAN	December 8, 2016	482,937
MICHAEL STEPHENS	October 13, 2016	227,345
JOE PRODAN	March 16, 2017	812,312

¹ Amounts include any payouts of RSUs or PSUs that became payable pursuant to each respective termination.

“Average Annual Bonus” is defined in each NEO employment agreement as the average bonus payments received by the NEO for the three completed years (or such lesser completed fiscal years, as applicable) prior to his/her termination.

Each NEO has also entered into a non-solicitation and confidentiality agreement with TNI which provides for, among other things, non-solicitation covenants in favour of TNI. These covenants will apply during the term of employment and for a specified period following the termination of their employment by TNI for any reason.

2. Stock Options

Under the terms of the Company’s 2007 Option Plans, in the event of a proposed change of control transaction, the vesting of all outstanding options will accelerate immediately prior to the completion of any such transaction.

3. RSUs and PSUs

Under the terms of the RSU Plan, in the event of a proposed change of control transaction, the vesting of all outstanding RSUs or PSUs will accelerate immediately prior to the completion of any such transaction.

4. Potential Payments Upon Termination or Change of Control

The following table shows potential payments to each NEO currently employed with the Company, as if the officer’s employment had been terminated or a change in control accompanied with a termination had occurred as of December 31, 2016. If applicable, amounts in the table were calculated using \$4.50, the closing price of the Common Shares on the TSX on December 30, 2016. The actual amounts that would be paid to any NEO can only be determined at the time of an actual termination of employment and would vary from those listed below. The estimated amounts listed below are in addition to any other benefits that are available to our salaried employees generally.

Name	Triggering Event	Severance (\$)	Equity-Based Compensation (\$)	Total (\$)
ANTONIO CICIRETTO..... <i>President and Chief Executive Officer</i>	• Without Cause Termination	1,078,650	-	1,078,650
	• Change of Control	1,438,200	55,098	1,493,298
DAREN HANSON..... <i>Vice President, Sales</i>	• Without Cause Termination	159,000	-	159,000
	• Change of Control	292,000	143,613	435,613

VIII. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

To the knowledge of the Company, as at the date of this Management Information Circular and during the Company’s financial year ended December 31, 2016, no director or executive officer, nor any proposed nominee for election as a director, nor any associate or affiliate of such individuals was indebted to (i) the Company or any of its subsidiaries, or (ii) any other

entity which is, or at any time since January 1, 2016 has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

IX. INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since January 1, 2016, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

X. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Company is not aware of any material interest, direct or indirect, of any “informed person” of the Company (as defined under Canadian securities legislation), any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since January 1, 2016 or in any proposed transaction which has materially affected or would materially affect the Company.

XI. CORPORATE GOVERNANCE PRACTICES

See Schedule A attached to this Management Information Circular.

XII. ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com, under the Company’s name. Additional financial information is contained in the Company’s 2016 Financial Statements and MD&A, which are available on SEDAR. Shareholders may request, and receive free of charge, copies of the 2016 Financial Statements, the MD&A and the AIF by sending a request to:

TeraGo Inc.
55 Commerce Valley Drive West
Suite 800
Thornhill, ON L3T 7V9
Attn: Investor Relations
Tel.: (905) 707-0788 / investor@terago.ca

XIII. SHAREHOLDER PROPOSALS

Shareholder proposals for the Company’s 2017 annual shareholders meeting must be received by the Company by 5:00 p.m. (Toronto time) on February 15, 2018. They must be sent in writing to the attention of the Corporate Secretary of the Company by mail to: 55 Commerce Valley Drive West, Suite 800, Thornhill, ON L3T 7V9, Attn: Corporate Secretary.

XIV. DIRECTORS’ APPROVAL

The Board has approved the contents and the distribution of this Management Information Circular to its shareholders.

Dated May 16, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Mark Lau”

Mark Lau
General Counsel and Corporate Secretary
TeraGo Inc.

SCHEDULE A - CORPORATE GOVERNANCE PRACTICES

The Company and its Board are committed to maintaining high standards of governance in a rapidly changing environment. The Company's system of corporate governance is subject to continuous review and improvement. The Board has proactively adopted governance policies and practices designed to align the interests of the Board and management with those of shareholders and to promote high standards of ethical behaviour within the Company.

On the recommendation of the Corporate Governance Committee, the Board has approved the following corporate governance disclosure.

1. Board of Directors

Director Independence

The Board is currently comprised of nine (9) members: Jim Nikopoulos, Jerry Grafstein, Michael Martin, Richard Brekka, James Sanger, Nicole German, Antonio Ciciretto, Gary Sherlock and Matthew Gerber.

As of the date of this Management Information Circular, a majority of the Board are independent as eight (8) of the directors are "independent" within the meaning of the National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The independent directors are Messrs. Nikopoulos, Grafstein, Martin, Brekka, Sanger, Sherlock and Gerber, and Ms. German. The independent directors do not have a direct or indirect material relationship with the Company, nor do they have "control", via a direct or indirect power to direct or cause the direction of the management and policies of the Company.

Mr. Ciciretto is not considered independent by reason of serving as President and Chief Executive Officer of the Company.

Other Directorships

The following directors are also directors of other reporting issuers (or the equivalent) in a Canadian or foreign jurisdiction:

Name	Name of Reporting Issuer	Name of Exchange/Market
Jerry Grafstein	Lingo Media Corporation	TSX-V
	ZoomAway Travel Inc.	TSX-V
	Internet of Things Inc.	TSX-V
	Wangton Capital Corp.	TSX-V

Independent Chair

The Board has separate individuals serving as the Chair of the Board and the Chief Executive Officer, in accordance with the standing policies of the Company. Mr. Nikopoulos was appointed Chair of the Board effective on June 23, 2016. While Mr. Nikopoulos previously served as Vice President, Corporate Development and General Counsel of the Company, such position ceased in September 12, 2013, and the Board has determined that he is "independent". The Board has adopted a position description for the Chair setting out his responsibilities and duties.

The Chair of the Board ensures that the Board operates independently of management and that directors have an independent leadership contact. The Chair manages the affairs of the Board, with a view to ensuring that the Board functions effectively and meets its obligations and responsibilities, and leads the Board in the execution of its responsibilities to shareholders. At each regularly scheduled Board meeting, the Chair presides over a session of the directors at which members of management are not present to facilitate open and candid discussions on certain matters. It is also the practice of each Committee of the Board to meet without management present during the course of the majority of its meetings. Information to be conveyed and actions undertaken as a result of these sessions are communicated to relevant parties, as appropriate.

Board Size

At the Annual General Meeting of Shareholders on June 15, 2017, five directors will stand for election for a one-year term. In addition, two directors are elected on an annual basis by the holder of the Class B Shares of the Company. The matter of Board size is considered formally on an annual basis by the Board and on an ongoing basis by its Corporate Governance Committee. The Board is of the view that the proposed membership of the Board has the necessary breadth and diversity of experience, and is generally of a size to provide for effective decision-making and staffing of Board Committees.

2. Board Mandate

The Board, either directly or through its Committees, is responsible for the supervision of management of the business and affairs of the Company with the objective of enhancing shareholder value. The Board Mandate, the text of which can be found in Schedule B of this Management Information Circular, sets out the responsibilities to be discharged by the Board, as well as the personal and professional attributes and the duties and responsibilities required of each director.

3. Position Descriptions

The Board has approved written position descriptions for the Chair of the Board, the Committee Chairs and the President and Chief Executive Officer. These position descriptions are available on the Company's website at www.terago.ca.

4. Orientation and Continuing Education

The Company has procedures in place to ensure that the Board has timely access to information it needs to carry out its duties. In particular, directors (i) receive a comprehensive package of information prior to each Board and Committee meeting, (ii) are involved in setting the agenda for Board and Committee meetings, (iii) attend an annual strategic planning session, and (iv) have full access to the Company's senior management and employees. From time to time, the Board, through its Corporate Governance Committee, reviews continuing education to ensure that the directors maintain the skill and knowledge necessary to meet their obligations as directors.

The Corporate Governance Committee is responsible for the orientation and education of directors. The goal of the director orientation process is to ensure that new directors fully understand the nature and operation of the business of the Company, the role of the Board and its Committees, and the contribution that individual directors are expected to make. New directors are provided with materials containing details of the Company's organizational structure, the structure of the Board and its Committees, relevant position descriptions, compliance requirements for directors, corporate policies, by-laws and a glossary of commonly used acronyms. One-on-one meetings are arranged with the executive officers of the Company to enable the new directors to learn about the various functions and activities of the Company.

Directors are expected to attend all Board and Committee meetings. Directors are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions. On an ongoing basis, as part of regular Board meetings, directors receive presentations on various aspects of the Company's operations.

5. Ethical Business Conduct

The Board has adopted the TeraGo Inc. Code of Business Conduct and Ethics (the "**Code**"), which provides a framework for directors, officers and employees on the conduct and ethical decision-making integral to their work. The Board, through its Corporate Governance Committee, reviews the operation of, and monitors compliance with, the Code. On an annual basis, the Code will be reviewed by the Company's legal and human resources departments to ensure that it complies with applicable legal requirements and is in alignment with best practices. In the event that amendments are needed, recommendations are made to the Corporate Governance Committee and the Board for approval. The Code has been filed with the Canadian securities regulatory authorities at www.sedar.com and is available on the Company's website at www.terago.ca. A waiver of the Code will be granted only in exceptional circumstances and shall be granted by the Board only. To date, no such waivers have been granted.

The Board has also adopted the TeraGo Inc. Whistleblower Policy and Procedures (the "**Whistleblower Policy**") which allow officers and employees who feel that a violation of the Code has occurred to report this violation on a confidential and anonymous basis. The procedures allow concerns regarding accounting, internal accounting controls or auditing matters to be reported on a confidential and anonymous basis. Complaints can be made to the head of either the Legal Department or Human Resources Department, or the Chair of the Audit Committee.

Directors, officers and employees are asked to acknowledge, on an annual basis, that they have read and understand the Code and Whistleblower Policy (amongst other policies) and certify that they are in compliance with the principles set forth in the Code.

The Board believes that providing a forum for officers and employees to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness foster a culture of ethical conduct within the Company.

Where the personal or business relationships or interests of directors may conflict with those of the Company, directors are required to disclose in writing the nature and extent of the conflict of interest. In the event of a conflict of interest, the director will leave the relevant portion of a meeting and the director will not vote or participate in the decision.

6. Nomination of Directors

The Board derives its strength from the background, diversity, qualities, skills and experience of its members. Directors, other than the directors elected by the holders of the Class B shares, are elected by the shareholders at each annual meeting of shareholders to serve for a term expiring on the date of the next annual meeting.

The Corporate Governance Committee is responsible for identifying and recommending to the Board suitable director candidates. As part of the process, the Corporate Governance Committee considers the competencies and skills that the Board, as a whole, should possess, assesses the skill sets of current Board members and identifies any additional skill sets deemed to be beneficial when considering Board candidates in light of the opportunities and risks facing the Company. The Corporate Governance Committee may engage outside advisors to assist in identifying qualified candidates. Potential candidates are screened to ensure that they have the attributes of: integrity and accountability; ability to engage in informed judgment; financial literacy; excellent communication skills; and the ability to work effectively as a team. These skills and attributes are necessary in order to execute their duties and responsibilities. The Corporate Governance Committee also considers the positions held with other organizations and the other business and personal commitments of prospective director candidates to determine whether they would be able to fulfill their duties as Board members.

More information regarding the composition of the Corporate Governance Committee, as well as a summary of its responsibilities, powers and operation, is set out below under the heading “Board Committees - Corporate Governance Committee”.

7. Tenure of Directors

It is proposed that each of the persons nominated and elected as a director at the Meeting will serve until the close of the next annual meeting of the Company or until his or her successor is elected or appointed. On February 24, 2015, the Board adopted a term limit of eight (8) years of service (the “**Director Term Limit**”) for directors of the Company. The Director Term Limit is effective on February 24, 2015 on a go forward basis and any service of a director to the Company prior to such date will not be counted towards the Director Term Limit. The Board believes that the Board Term Limit will balance the need and value of experience and continuity amongst board members and the imposition of new perspectives and expertise from new directors being appointed or elected at the end of a director’s term. The Mandate of the Corporate Governance Committee specifically sets out as a duty for the Corporate Governance Committee to consider the term served by existing directors when planning for the composition of the Board and to ensure that there is a range in the tenure of the directors.

The Board also conducts self-assessments (See “Assessments” below) to evaluate the effectiveness of the Board and each Board Committee. The Board relies on such assessments as one determination on whether the Board is in need of additional or new directors.

As of December 31, 2016, eight out of nine directors (or 89%) of the current Board, has served on the Board for four (4) years or less and three out of the nine directors (or 33%) of the current Board, has served on the Board for less than one (1) year.

8. Diversity

The Mandate of the Corporate Governance Committee encourages diversity in the composition of the Board and requires periodic review of the composition of the Board as a whole to recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of qualifications, experience, skills and demographics required for the Board as a whole. Specifically, the Mandate of the Corporate Governance Committee sets out as a duty for the Corporate Governance Committee to consider the level representation of women on the Board when making decisions with respect to the composition of the Board. In carrying out this duty, the Corporate Governance Committee may retain outside advisors or experts as it deems necessary, which may include the identification and nomination of a female candidate for the Board should the Corporate Governance Committee determine an exclusive search for such a candidate is necessary.

Currently, the Board is comprised of one female director (11%) and eight male directors (89%). The Company does not have specific targets regarding the representation of women on the Board.

The Company also ensures the most talented and strongest leaders are recruited, developed and retained to achieve its business objectives and recognizes the value of diversity, including knowledge, experience, skills, expertise, gender and background in making its decisions. In the Company’s Recruitment Policy which establishes the process of recruitment and selection of employees, and includes the hiring of managerial level positions and executive officers, the Company will consider the current level of representation of women in managerial positions when seeking and hiring candidates.

Women are currently represented in management of the Company, although none (0%) of the current executive officer positions are held by women. There is a currently a deep pool of female talent holding high potential and mid-level managerial positions at the Company and its subsidiaries which the Company looks to support and to provide opportunities for growth.

The Company does not have a target number of women executive officers given the relatively small size of its executive team and the need to consider a balance of criteria in each executive appointment and to make hiring and appointment decisions based on merit and the Company's needs and circumstances at the time.

9. Board Committees

To assist in exercising its responsibilities, the Board has established four Committees: the Audit Committee; the Corporate Governance Committee; the Compensation Committee; and the Executive Committee.

The roles and responsibilities of each Committee are set out in formal written Mandates, copies of which are available on our website at www.terago.ca. These Mandates are reviewed annually to ensure they reflect best practices as well as applicable regulatory requirements.

Audit Committee

The current members of the Audit Committee are Gary Sherlock (Chair), Nicole German and Matthew Gerber. All of the members of the Audit Committee are "independent" within the meaning of the audit committee requirements adopted by the Canadian Securities Administrators (CSA).

The Audit Committee oversees the integrity of the Company's financial reporting, its internal control, disclosure control and internal audit function, and its compliance with legal and regulatory requirements. The Audit Committee also reviews and assesses the qualifications, independence and performance of the Company's auditors. In addition to being "independent", the Board has determined that each member of the Audit Committee is "financially literate", as such term is defined under CSA rules.

At each quarterly meeting of the Audit Committee, members of the Audit Committee meet separately (without management present) with the Company's auditors to review specific issues. The Audit Committee requires management to implement and maintain appropriate internal controls. Annually, the Committee reviews and approves the internal control policy and audit mandate. The Audit Committee meets quarterly with the auditors and management on matters of internal control. It also meets regularly with the auditors and management to assess the adequacy and effectiveness of the internal control systems. The Audit Committee also pre-approves all audit and non-audit work performed by the auditors.

Additional information relating to the Audit Committee is included in the Company's Annual Information Form under the heading "Audit Committee" which is available on SEDAR at www.sedar.com.

Corporate Governance Committee

The current members of the Corporate Governance Committee are Jerry Grafstein (Chair), Richard Brekka and Michael Martin.

The Corporate Governance Committee identifies and recommends candidates for nomination to the Board, as described above, monitors the orientation program for new directors and maintains a process for assessing the performance of the Board, its Committees and individual directors. The Corporate Governance Committee monitors best practices for governance and annually reviews the Company's governance practices and disclosures to ensure that it continues to exemplify high standards of corporate governance. The Corporate Governance Committee reviews all Board and Committee Mandates, standing corporate policies and position descriptions to ensure that they meet all applicable regulatory requirements and best practices.

Compensation Committee

The current members of the Compensation Committee are James Sanger (Chair), Nicole German and Matthew Gerber. All of the members of the Compensation Committee are independent.

The Compensation Committee's primary responsibilities include evaluating and making recommendations to the Board regarding compensation of executive officers and directors, equity incentive plans, and general policies and programs related to compensation and benefits.

The Compensation Committee annually reviews, and recommends for Board approval, directors' and executive compensation to ensure it is competitive and consistent with the responsibilities and risks involved in being an effective director and/or officer.

The Compensation Committee reviews and approves goals and objectives that the President and Chief Executive Officer is responsible for meeting each year. The Compensation Committee also conducts an annual assessment of the President and Chief Executive Officer's performance in relation to those objectives and reports the results of the assessment to the Board.

The Compensation Committee has the authority to retain consulting firms from time to time to assist in carrying out the Compensation Committee's responsibilities, including determining the compensation of the President and Chief Executive Officer and other executives, which also facilitates objectivity for making compensation decisions

The Compensation Committee reviews succession planning for the President and Chief Executive Officer and other senior management, including planning in the event of an emergency or retirement. The Company's succession planning process involves: identifying critical senior leadership roles; assessing the capabilities of our executive officers; developing succession plans for all executive officer roles; and developing a leadership "pipeline" comprised of the Company's most talented individuals.

Executive Committee

The current members of the Executive Committee are Richard Brekka and Jim Nikopoulos. Antonio Ciciretto was previously a member of the Executive Committee until his appointment as President and Chief Executive Officer.

The primary function of the Executive Committee is to assist the Board by acting in the Board's place and stead, particularly with respect to the preliminary consideration and approval of matters of significance. While it is intended that all such matters first be brought before the full Board for consideration, it is recognized that the Executive Committee may be required to meet and exercise the powers of the Board when the full Board is not in session or cannot reasonably be called in session.

The Executive Committee is comprised of three members of the Board (none of whom are members of management), one of whom acts as the Executive Chair and one of whom is a member of the Board that has been elected by the holders of the Class B Voting Shares.

In addition to any other duties and responsibilities assigned to it from time to time by the Board, the Executive Committee, when the Board is not in session, has full power to supervise the management of the business and affairs of the Company and has, and may exercise, all or any of the powers vested in and exercisable by the Board, subject only to applicable law.

The Executive Committee refers back to the full Board for ratification, confirmation and approval of all such matters as the Executive Committee may deem appropriate. The Executive Committee may retain or appoint, at the Company's expense, outside advisors or experts as it deems necessary to carry out its duties.

10. Assessments

To serve the interests of shareholders and other stakeholders, the Company's governance system is subject to ongoing review and assessment. One of the ways the Board and the Board Committees do this is through self-assessments conducted from time to time.

11. Strategic Planning

The Board approves the Company's strategic plans. In addition to addressing key initiatives, these plans include details of the opportunities, risks, competitive position, financial projections and other key performance indicators for each of the principal business groups. An annual strategy session enables directors to gain a fuller appreciation of planning priorities and progress being made in relation to the strategic plans. It also provides an opportunity for directors to give constructive feedback to management. Throughout the year, directors receive strategic updates as part of regular Board meetings.

12. Disclosure Policy

The Board has approved a Disclosure, Confidentiality and Insider Trading Policy (the "**Disclosure Policy**") covering the timely dissemination of all material information. The Disclosure Policy, which is reviewed annually, establishes consistent guidance for determining what information is material and how it should be disclosed to avoid selective disclosure and to ensure that material information is widely disseminated. The Company also has a Disclosure Committee comprised of members of senior management, including the Chief Executive Officer, the Chief Financial Officer and the General Counsel. The Disclosure Committee is responsible for reviewing all continuous disclosure documents and ensuring their timely public release.

Shareholders, employees, stakeholders and other interested parties may communicate directly with the Company through its Investor Relations department by telephone at (905) 707-0788 or by e-mail at investors@terago.ca.

SCHEDULE B — BOARD MANDATE

The Board of Directors of TeraGo Inc. is committed to maintaining current and effective corporate governance. This Mandate of the Board of Directors (the “Board”) of TeraGo Inc. is made with reference to National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators. It will be reviewed periodically to ensure that it consistently follows updated best practices and that it will provide appropriate and effective guidance to the Board as to their duties and responsibilities. This Mandate was initially adopted and approved by the Board on August 13, 2007 and it was most recently ratified at a meeting of the Board on November 10, 2016.

1. STATEMENT OF POLICY

- The Board is elected by and accountable to the Company’s shareholders and is responsible for overseeing and supervising, directly and through its various committees, the conduct of the business and affairs of the Company. Though elected by the shareholders, the Board is not mandated to represent any particular interest. Rather, all decisions must be made in the best interests of the Company. The Board has delegated the day-to-day management and operation of the Company’s business to management, but is responsible for ensuring that management discharges this responsibility effectively.

2. STRUCTURE

Board

- The members of the Board shall be elected annually by the shareholders of the Company or as otherwise provided by its Articles. The Corporate Governance Committee of the Board will, from time to time review the number of directors, the need for recruitment and the experience required for any new nominee to ensure that the Board facilitates effective and efficient oversight. Pursuant to its Articles, the Board shall consist of a minimum of one and a maximum of 10 directors, and be in accordance with all applicable regulatory requirements. A majority of the Board shall be comprised of directors who are independent. A director is independent if he or she has no direct or indirect material relationship with the Company as determined in accordance with applicable laws and regulations.
- Each member of the Board, including the Chair, who shall be appointed from among its members, will act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that reasonably prudent people would exercise in comparable circumstances.
- Effective February 24, 2015, each member of the Board, including the Chair shall serve for no longer than eight (8) years as a director of the Corporation (the “**Director Term Limit**”). The Director Term Limit applies on a go forward basis and any service of a director to the Company prior to February 24, 2015 will not be counted towards the Director Term Limit.
- The Board and the Board Chair will fulfill their mandates by carrying out the duties and responsibilities set forth below.

Committees

- The Board has the authority and may establish committees and delegate duties and responsibilities to such committees and appoint members of such committees from among its directors. The Board will assess matters to be delegated and the constitution of each committee annually.
- The Board has established four standing committees including a corporate governance committee, a compensation committee, an audit committee and an executive committee. Other committees may be established on an ad hoc basis from time to time to examine specific issues on behalf of the Board.

3. MEETINGS

- The Board shall meet in accordance with a schedule established each year by the Board and at such other times as the Board may determine. Notice of each meeting shall be given to each director and shall state the nature of the business to be conducted at such meeting. An information package, appropriate in detail for the items to be discussed, shall be sent to each director in advance of the meeting. The Board will endeavour to hold at least one meeting per calendar year outside of the Toronto area.
- A quorum for the transaction of business shall consist of the majority of the directors of the Board. Members may participate by means of telephonic, electronic or other communication facilities as to permit all persons participating in such meeting to communicate adequately with each other.

- The Corporate Secretary of the Corporation shall act as secretary of Board meetings. Minutes of such meetings shall be recorded and prepared by the Corporate Secretary and subsequently presented to the Board for approval.
- At the discretion of the Board, members of management and others may attend Board meetings. However, executive sessions of the Board, without members of management being present, may be held at every board meeting.
- Independent directors shall have the opportunity to meet at appropriate times without management present at regularly scheduled meetings. Independent directors may propose agenda items for meetings of independent directors through communication with the Chair.

4. RESPONSIBILITIES AND ROLE OF THE BOARD

- In addition to its statutory responsibilities, and matters delegated to Board committees as set out below, the Board's duties and responsibilities include:
 - a) review and approve the Company's long-term strategic objectives and adopt a planning process that recognizes the opportunities and risks of the business in developing the strategic plan and approve, at least annually, a strategic plan;
 - b) identify and assess the principal risks inherent in the business and ensure management takes all reasonable steps to appropriately manage such risks;
 - c) review and approve management's business plans and budgets (both operating and capital) and monitor the implementation of such plans;
 - d) review and approve any significant strategic transactions (including acquisitions, divestitures, financings, investments and alliances) that are not considered to be in the ordinary course of business;
 - e) review the financial performance, financial reporting and disclosure of the Company as well as obtaining reasonable assurances that the internal controls and management information systems are adequate;
 - f) review the Company's disclosure policy to ensure the Company's performance is adequately and appropriately reported on a timely basis;
 - g) develop a position description for the CEO and select and appoint the CEO and senior management, review their performance and approve their compensation;
 - h) develop appropriate succession management policies for the CEO and senior management of the Company;
 - i) provide advice and counsel to CEO and senior management;
 - j) assess the effectiveness in fulfilling its own responsibilities, including those of its committees and individual directors;
 - k) provide for an orientation program for new directors and ensure periodic presentations from senior management on strategic issues relevant to the business and affairs of the Company;
 - l) maintain a culture of integrity including adopt and monitor compliance with the Code of Business Conduct and Ethics, setting the ethical tone for the Company and its management and employees;
 - m) ensure that an external communications policy is in place and that the Company has procedures for receiving and responding to feedback from stakeholders;
 - n) monitor compliance with applicable legal and regulatory requirements;
 - o) approve, on an annual basis, the composition of Board Committees, the respective Chairs and the mandates of such Committees; and
 - p) receive, on an annual basis, a report from each Committee Chair regarding fulfillment of such Committee's mandate duties.

5. RESPONSIBILITIES AND ROLES OF COMMITTEES OF THE BOARD

- Unless otherwise determined by the Board, the respective responsibilities of the Board Committees will be as set out in their Mandates.

6. TERMS OF REFERENCE FOR THE CHAIR OF THE BOARD

- On an annual basis, the Board will appoint a Chair from among its independent members to serve in a non-executive capacity.
- The Chair is responsible for overseeing, managing and assisting the Board in fulfilling its duties in an effective manner, independent of management. Responsibilities include:
 - a) to chair Board meetings and annual and special meetings of shareholders;
 - b) to organize regularly scheduled board meetings and to participate in the preparation of the agenda of each meeting;
 - c) to monitor the work of the committees of the Board; and
 - d) to ensure that an appropriate information package is provided to each director in advance of each meeting.

7. TERMS OF REFERENCE FOR THE CHAIRS OF COMMITTEES

- The chair is responsible for ensuring the committee functions in a manner that is independent of management, including managing meeting schedules, chairing meetings of the committee, acting as liaison between senior management and the committee and providing advice on appropriate matters. The committee chair shall set the agendas for meetings of the committee. The Chair shall report on the significant matters considered at a committee meeting at the next Board of Directors meeting.

8. RESOURCES

- The Board and its committees shall have the authority to retain appropriate legal, accounting and other consultants and advisors to assist it in fulfilling its responsibilities, as they deem necessary. The Company shall provide appropriate funding, as determined by the Board, for the services of any such advisors. The Chair of the Board shall be kept informed of any advisors retained.

9. SHAREHOLDER FEEDBACK

- The Board will develop measures for receiving feedback from shareholders with respect to individual queries, comments or suggestions. Shareholder comments, where appropriate, are brought to the attention of the Board and are included in its deliberations.

SCHEDULE C

TERAGO INC. DIRECTORS' SHARE COMPENSATION PROGRAM

1. Purpose of the Program

The Directors' Share Compensation Program (the "**Program**") is intended to promote the achievement of the Corporation's long-term objectives by linking part of the compensation of non-management directors of the Corporation (the "**Non-Management Directors**") to those of the Corporation's shareholders and to attract and retain Non-Management Directors of outstanding competence by mandating that the annual and committee retainer fees of such directors be paid in common shares of the Corporation ("**Shares**").

2. Form of Payment

The retainer fees payable to Non-Management Directors pursuant to Section 3 hereof (collectively, "**Retainer Fees**") shall be paid in Shares, based upon the calculations made pursuant to Section 5 hereof. For clarity, Retainer Fees do not include fees for attending meetings of the Board of Directors of the Corporation (the "**Board**") or of any committee thereof.

3. Retainer Fees

- (a) **Base Retainer** — Each Non-Management Director is entitled to an annual retainer of \$25,000.
- (b) **Chair Retainer** — In addition to the fees payable in 3(a) above, a Non-Management Director who is chair of the Board or one or more of any committee thereof is entitled to an additional annual chairman retainer in the amounts set forth below, as applicable:

<u>Committee Chair Role</u>	<u>Chair Retainer</u>
Chair of the Board	\$75,000
Chair of the Audit Committee	\$15,000
Chair of the Compensation Committee	\$7,500
Chair of the Corporate Governance Committee	\$7,500
Chair of the Executive Committee	\$7,500

- (c) **Committee Retainer** — In addition to the fees payable in 3(a) and 3(b) above, a Non-Management Director who is a member of a committee of the Board is entitled to an additional annual committee retainer of \$5,000 in respect of each committee of which he or she is a member.

4. Time of Payment

Subject to the terms hereof, Retainer Fees shall be paid in equal instalments on a quarterly basis to the Non-Management Director at end of each quarter of the Corporation's financial year.

5. Price

The price to be used for determining the number of all Shares to be issued under the Program will be the weighted average trading price of Shares on the Toronto Stock Exchange (the "**TSX**") for the 20

trading days preceding the date of the annual meeting of shareholders of the Corporation in the applicable year.

6. Shares Subject to the Program

The maximum number of Shares issuable under the Program is 800,000 subject to adjustment as provided in Section 11 hereof, of which 422,125 Shares have been issued and 377,875 Shares remain reserved for issuance as of May 11, 2017. No fractional Shares may be issued under the Program and any entitlement hereunder to a fractional Share will be rounded down.

7. Eligibility and Determination

The Shares issuable under the Program are reserved for Non-Management Directors. In the event a Non-Management Director qualifies for the payment of compensation under the Program for services provided as a director for a period of less than twelve months in any calendar year, then the entitlement of such Non-Management Director for the Shares will be calculated on a pro rata basis to the end of the month during which the Non-Management Director ceases to be a director for whatever reason.

8. Administration

The Program shall be administered by the Compensation Committee of the Board (the “Committee”). All decisions and interpretations of the Committee regarding the Program or Shares issued hereunder will be conclusive and binding on the Corporation and the Non-Management Directors. All costs and expenses involved in the administration of the Program shall be borne by the Corporation.

9. Rights as a Shareholder

A Non-Management Director shall have no rights as a shareholder of the Corporation with respect to any Shares to be issued under the Program until he or she becomes the holder of record of such Shares.

10. Regulation

The Corporation’s obligation to issue and deliver Shares under the Program is subject to compliance with all applicable government and stock exchange regulations and requirements.

11. Capital Reorganizations

In the event of any recapitalization, stock split, reverse stock split, stock dividend, reorganization, merger, consolidation, spin-off, combination, repurchase, or share exchange, or other similar corporate transaction or event affecting the Shares, the maximum number of Shares available under the Program, and the number of Shares to be issued hereunder shall be adjusted to take into account such capital reorganization.

12. Amendments

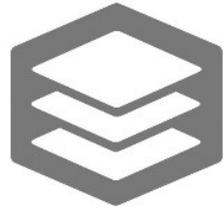
The amount of Retainer Fees payable to Non-Management Directors pursuant to Section 3 hereof may be increased or decreased from time to time, in each case with the approval of the Board. All other amendments to the Program will be subject to receipt of shareholder approval and the approval of the TSX, to the extent required.

13. Non-Transferability

The rights and benefits under the Program are neither assignable nor transferable.

14. Effective Date

Subject to receipt of all regulatory and shareholder approvals, the Program will become effective as of May 7, 2014 as provided by a resolution of the Board passed on May 7, 2014 as amended by a resolution of the Board passed on February 24, 2015, and as further amended by a resolution of the Board passed on May 11, 2017.



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