



SANGOMA TECHNOLOGIES CORPORATION

Management Information Circular

and

Notice of Annual Meeting of Shareholders

**To be held on
December 29, 2017
at Sangoma's office at 100 Renfrew Drive, Suite 100, Markham, ON, L3R 9R6
at 10:30 a.m. (Toronto time)**

SANGOMA TECHNOLOGIES CORPORATION

Suite 100
100 Renfrew Drive
Markham, Ontario
L3R 9R6

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Sangoma Technologies Corporation (the “**Corporation**”) will be held at Sangoma’s office at 100 Renfrew Drive, Suite 100, Markham, ON, L3R 9R6 on Friday, December 29, 2017 at the hour of 10:30 a.m. (Toronto time) for the following purposes:

- a. to receive the consolidated audited financial statements of the Corporation for the financial year ended June 30, 2017, and the auditor’s report thereon;
- b. to elect the directors of the Corporation;
- c. to appoint MNP LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
- d. to transact such other business as may properly be brought before the Meeting or any postponement or adjournment thereof.

Accompanying this Notice of Meeting is a management information circular dated November 20, 2017 and a form of proxy.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof must deposit his, her or its duly executed form of proxy in person or by mail with the Corporation’s transfer agent and registrar, Computershare Investor Services Inc. (the “**Transfer Agent**”) at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or online at www.investorvote.com or by telephone at 1-866-732-VOTE (8683) (for Shareholders within North America) or 1-312-588-4290 (for Shareholders outside North America), prior to 10:30 a.m. (Toronto time) on December 27, 2017 or any postponement or adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof prior to the time of voting.

Shareholders who are unable to be present personally at the Meeting are urged to sign, date and return the enclosed form of proxy in the envelope provided for that purpose. If you plan to be present personally at the Meeting, you are requested to bring the enclosed form of proxy for identification. The record date for the determination of those Shareholders entitled to receive the notice of and vote at the Meeting is 5:00 p.m. (Toronto time) on November 20, 2017.

DATED at Toronto, Ontario this 20th day of November, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*Bill Wignall*”

William Wignall
President and Chief Executive Officer

SANGOMA TECHNOLOGIES CORPORATION

MANAGEMENT INFORMATION CIRCULAR

Dated: November 20, 2017

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Sangoma Technologies Corporation (the “Corporation” or “Sangoma”) for use at the annual meeting (the “Meeting”) of holders (the “Shareholders”) of common shares of the Corporation (the “Common Shares”) to be held at the time and place and for the purposes set forth in the attached Notice of Annual Meeting (the “Notice”) or at any adjournment thereof.

The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone or electronic means by directors, officers or regular employees of the Corporation. None of these individuals will receive extra compensation for such efforts. The cost of solicitation will be borne by the Corporation. The Corporation has distributed, or made available for distribution, copies of the Notice, Circular and form of proxy to clearing agencies, securities dealers, banks and trust companies or their nominees (“**Intermediaries**”) for distribution to holders of Common Shares (“**Non-Registered Shareholders**”) whose shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Non-Registered Shareholders. The solicitation of proxies from Non-Registered Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Non-Registered Shareholders are provided by the Intermediaries. The Corporation will reimburse reasonable expenses incurred by the Intermediaries in connection with the distribution of these materials.

The information contained in this Circular is given as of November 20, 2017, except where otherwise indicated. No person is authorized to give any information or make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this Circular.

Appointment of Proxies

A form of proxy is enclosed and, if it is not your intention to be present at the Meeting, you are asked to complete and deliver the enclosed form of proxy.

The persons named in the enclosed form of proxy accompanying this Circular are officers and/or directors of the Corporation. A Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act on behalf of such Shareholder at the Meeting and at any postponement or adjournment thereof other than the persons designated in the enclosed form of proxy. Such right may be exercised by striking out the names of the persons specified in the form of proxy and inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Corporation’s transfer agent and registrar, Computershare Investor Services Inc. in the manner specified in the Notice which accompanies this Circular or to the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof prior to the time of voting. A proxy must be executed by the registered Shareholder or his or her attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized. A Shareholder may vote by proxy by using the paper form of proxy to be returned by mail or facsimile, or via the internet following the instructions accompanying this Circular. It is important to ensure that any other person that is appointed is attending the Meeting and is aware that his or her appointment has been made to vote the Common Shares of the Shareholder. Proxy holders should, at the Meeting, present themselves to a representative of the Transfer Agent.

Non-Registered Shareholders

The information set forth in this section is of significant importance to Non-Registered Shareholders.

Non-Registered Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of the Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in such shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc., which company acts as a nominee of many Canadian brokerage firms. Shares held by brokers or their nominees can only be voted for or against resolutions upon the instructions of the Non-Registered Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients.

Applicable securities legislation requires intermediaries/brokers to seek voting instructions from non-registered shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Non-Registered Shareholder by its broker is identical to the form of proxy provided by the Corporation to the registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Shareholder. All references to Shareholders in this Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

These meeting materials are being sent to both registered and non-registered Shareholders. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (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 or form of proxy delivered to you.

Non-Registered Shareholders should carefully follow the instructions of their intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

Revocation

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- a. by depositing an instrument in writing or transmitting an instrument by telephonic or electronic means executed (in writing or by electronic signature) by the Shareholder or by such Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, under its corporate seal, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing,
 - i. to the Corporation's transfer agent and registrar, Computershare Investor Services Inc. (the "**Transfer Agent**") at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (Attn: Proxy Department), at any time up to and including 10:30 a.m on December 29, 2017, or any postponement or adjournment thereof; or

- ii. with the Chairman of the Meeting on the day of the Meeting, prior to the time of voting, or any postponement or adjournment thereof; or
- b. in any other manner permitted by law.

A Non-Registered Shareholder may revoke a voting instruction form given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form that is not received by the Intermediary sufficiently in advance of the Meeting so that an Intermediary may act on such revocation. A Non-Registered Shareholder should contact its Intermediary to discuss what procedure to follow and the deadlines by which it needs to provide its revocation so that the Intermediaries can act on such revocation.

Exercise of Discretion by Proxies

All properly executed forms of proxy, not previously revoked, will be voted or withheld from voting on any poll taken at the Meeting in accordance with the instructions of the Shareholder contained therein. **A properly executed form of proxy containing no instructions regarding the matters to be acted upon will be voted in favour of such matters.** The form of proxy also confers discretionary authority in respect of amendments to, or variations in, all matters that may properly come before the Meeting or any postponement or adjournment thereof. At the time of the printing of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. However, if any such amendments, variations or other matters which are not now known to management, should properly come before the Meeting, the Common Shares represented by the proxies hereby solicited will be voted thereon in such manner as such persons then consider proper.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation has fixed the close of business on November 20, 2017 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. The Corporation is authorized to issue an unlimited number of Common Shares, of which 33,556,982 Common Shares were issued and outstanding as at the date of this Circular. Each Common Share entitles the holder thereof to one vote for each matter voted at the Meeting.

Two shareholders constitute a quorum for the Meeting. Each Common Share is entitled to one vote on each matter to be voted upon at the Meeting. A simple majority of votes cast at the Meeting, whether in person or by proxy, will constitute approval of any matter submitted to a vote.

In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation will prepare a list of the Shareholders on the Record Date. Each Shareholder named in the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list. To the knowledge of the directors and senior officers of the Corporation, and based upon the Corporation’s review of the records maintained by the Transfer Agent and insider reports filed with the System for Electronic Disclosure by Insiders, as at the Record Date, the only persons who beneficially own, directly or indirectly, or exercise control or direction over voting securities of the Corporation carrying more than 10% of the voting rights of the total issued and outstanding Common Shares are as follows:

Name	Number of Shares Owned	
	Common	Percentage of Class
David Mandelstam ⁽¹⁾	4,292,500	12.8 %
Nicholas Galea ⁽²⁾	4,549,000	13.6 %

Notes:

- (1) 1,402,500 of these Common Shares are held by Vanessa Mandelstam, the spouse of David Mandelstam, and 325,000 Common Shares are held by Entropy Control Ltd., a corporation controlled by David and Vanessa Mandelstam. Mr. Mandelstam also holds 100,000 options to purchase Common Shares.
- (2) as reported on www.SEDI.ca on November 20, 2017.

EXECUTIVE COMPENSATION

Compensation and Nominating Committee

The Compensation and Nominating Committee is composed of David Mandelstam and Yves Laliberte directors of the Corporation, **both of whom**, are considered “independent”, as that term is defined in National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators. Policy 3.1 of the TSX Venture Exchange Corporate Finance Manual sets out a requirement that all employment, consulting or other compensation arrangements between the issuer and any director or senior officer of the issuer are to be considered and approved by independent directors. Mr. Mandelstam acts as Chair of the Compensation and Nominating Committee.

Executive Compensation Discussion and Analysis

The duties of the Compensation and Nominating Committee as they relate to compensation include developing and monitoring the Corporation’s overall approach to compensation issues and, subject to approval by the Board of Directors, implementing and administering a system of compensation which reflects superior standards of compensation practices. Periodically, the Compensation and Nominating Committee will review the adequacy and form of the compensation of the directors of the Corporation with a view to ensuring that such compensation realistically reflects the responsibilities and risks of being a director.

Subject to any contractual arrangements, the Compensation and Nominating Committee is responsible for setting the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer. The committee reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer and evaluates the Chief Executive Officer’s performance in light of these goals and objectives. The Compensation and Nominating Committee determines the incentive compensation of the Chief Executive Officer after the end of each financial year and makes a recommendation to the Board of Directors. The Compensation and Nominating Committee also reviews recommendations to the Board of Directors from the CEO regarding incentive compensation for other executives. During its deliberations the Compensation and Nominating Committee considers the implications of the risks associated with the Corporation’s compensation policies and practices.

The Charter of the Compensation and Nominating Committee includes the following duties:

- a. to develop and monitor the Corporation’s overall approach to compensation issues and, subject to approval by the Board of Directors, to implement and administer a system of compensation which reflects superior standards of compensation practices and to continue to develop the Corporation’s approach to compensation issues;

- b. to undertake an annual review of compensation issues and practices as they affect the Corporation and make a comprehensive set of recommendations to the Board of Directors during each calendar year;
- c. to advise the Board of Directors or any committees of the Board of Directors of compensation issues which the Committee determines ought to be considered by the Board of Directors or any such committee;
- d. to recommend to the Board of Directors human resources and compensation policies and guidelines;
- e. to ensure that the Corporation has in place programs to attract and develop management of the highest calibre and a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the Chief Executive Officer in this regard;
- f. to develop a position description for the Chief Executive Officer and to ensure that policy guidelines and systems are in place to provide for a comprehensive annual review of the performance of the Chief Executive Officer;
- g. to review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer and to evaluate the Chief Executive Officer's performance in light of these goals and objectives;
- h. subject to any contractual arrangements, to set the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer and to approve compensation for all other designated officers after considering the recommendations of the Chief Executive Officer, all within any human resources and compensation policies and guidelines approved by the directors;
- i. to review periodically the adequacy and form of the compensation of the directors of the Corporation with a view to ensuring that such compensation realistically reflects the responsibilities and risks of being a director;
- j. to implement and administer human resources and compensation policies approved by the directors concerning the following:
 - i. executive compensation, employment and related contracts, stock option plans, deferred share plans and other incentive and equity-based plans; and
 - ii. proposed personnel changes involving officers reporting to the Chief Executive Officer;
- k. from time to time to review with the Chief Executive Officer, the Corporation's broad policies on compensation for all employees and overall labour relations strategies;
- l. to consider any other questions or matters of compensation referred to it by the directors;
- m. to develop and implement a process for assessing the effectiveness of the compensation policies and practices of the Corporation and to report and make recommendations to the Board of Directors thereon;

- n. to adopt a process to determine what competencies and skills the Board, as a whole, should possess given the nature of the business of the Corporation;
- o. to assess the competencies and skills of each existing director, with a view to assessing the Board of Directors as a whole for the purpose of, in part, facilitating effective decision making by the Board of Directors;
- p. to identify and recommend qualified individuals to become new members of the Board, giving due consideration
 - i. the competencies and skills that the board considers to be necessary for the board, as a whole, to possess;
 - ii. the competencies and skills that the board considers each existing director to possess; and
 - iii. the competencies and skills each new nominee will bring to the boardroom;
- q. to report annually to the Corporation's shareholders, through the Corporation's annual management information circular to shareholders, on the Corporation's approach to compensation and to review executive compensation disclosure before the Corporation publicly discloses such information; and
- r. to recommend the slate of directors to be nominated for election at the annual meeting of shareholders.

The Compensation and Nominating Committee also reviewed and approved the Compensation Discussion and Analysis included in this Circular.

For the purposes of this Circular, the named executive officers (as that term is defined in Form 51-102F6V — *Statement of Executive Compensation*) are Messrs. Wignall, Moore and Lewis (each, an “NEO” and together, the “NEOs”).

Objectives of Compensation Strategy

The specific objectives of the Corporation's compensation program for executive officers are as follows:

- to attract and retain talented executive officers;
- to align the interests of executive officers with those of the Corporation's shareholders; and
- to link individual executive compensation to the performance of both the Corporation and the individual executive officer.

The Corporation's compensation program is currently designed to reward executive officers for:

- superior corporate performance relative to pre-set internal objectives; and
- exceptional levels of individual performance consistent with, and contributing to, the achievement of the Corporation's strategic goals.

The Compensation and Nominating Committee is directly involved in the negotiation and settlement of the terms of the senior management executive employment contracts. In determining the appropriate terms of the executive employment contracts, the Compensation and Nominating Committee considers, among other matters, the following objectives: (i) retaining executives who are critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; and (iii) balancing the interests of management and shareholders of the Corporation.

The executive compensation programs in the totality are intended to provide executives with an appropriate and competitively balanced mix of guaranteed cash (base salary) and performance-based (short-term - annual cash bonus; long-term – Stock Option awards) incentive compensation. Short and long-term incentive awards are discretionary and are determined by the achievement of annual performance objectives and the performance of the Corporation. These incentive awards are paid in cash or, if the NEO is eligible and elects to participate in the long-term equity incentive compensation plan of the Corporation, a combination of both. The Corporation's executive compensation mix (the proportion of base salary, short and long-term incentive awards) is designed to reflect the relative impact of the executive's role on the Corporation's performance and considers how the compensation mix aligns with long-term shareholder value creation.

An NEO or director of the Corporation is not excluded from purchasing financial instruments, including prepaid variable contracts, equity swaps, collars or units of exchange that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the NEO or director. At this time there are no such financial instruments available in respect of the Corporation.

Structure of Compensation Strategy

For the fiscal year ended June 30, 2017 payouts to NEOs were based on the Compensation and Nominating Committee's assessment of performance based on expected sales of new and legacy products, operating expense, new product launches and some subjective measures of individual performance throughout the year.

1. Base Salary

The CEO, CFO and COO received base annual salaries of \$300,000, \$190,000 and \$238,178 respectively, in respect of the fiscal year-ended June 30, 2017. Each NEO's base salary is determined by assessment of the executive's performance and is intended to reward the skill, knowledge and experience of the NEO and reflect the level of responsibility and the expected contribution to the Corporation from the executive.

2. Bonuses

The Corporation has a discretionary annual cash bonus plan for the executive officers of the Corporation which may vary, based on the individual's position and contribution to the performance of the Corporation and the annual performance of the Corporation. The Chief Executive Officer of the Corporation presents recommendations to the Compensation and Nominating Committee with respect to the award of any such cash bonuses (other than bonuses paid to the Chief Executive Officer).

During the fiscal year ended June 30, 2017, the Corporation recorded an aggregate of \$405,000 in annual cash bonuses to NEOs of the Corporation for payment in the fiscal year ended June 30, 2018. The cash bonus to be paid to the President and Chief Executive Officer for the year-ended June 30, 2017, was determined by the Compensation and Nominating Committee based on an assessment of the performance of the Corporation and the individual performance of the President and Chief Executive Officer. The Compensation and Nominating Committee also approved the CEO's recommendation for awards of bonuses to the balance of the executive team.

3. Long Term Incentive Plan

The Corporation does not have any long-term incentive plans.

4. Equity Compensation Plans – Stock Option Plan

The Corporation has a stock option plan (the “**Plan**”) for directors, officers, employees and consultants of the Corporation and the number of Common Shares which are set aside for issuance under the Plan (and under all other management options and employee stock option plans) is 6,199,160 Common Shares.

The maximum number of shares of the Corporation which may be reserved for issuance to any one person under the Plan within a one-year period is 5% of the shares outstanding at the time of grant (calculated on a nondiluted basis) less the number of shares reserved for issuance to such person under any option to purchase shares granted as a compensation or incentive mechanism. Any shares subject to an option which for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Plan subject to applicable regulatory requirements.

The option price of any shares cannot be less than the closing price or the minimum price as determined by applicable regulatory authorities of the relevant class or series of shares, on the day immediately preceding the day upon which the option is granted. Options granted under the Plan may be exercised, subject to vesting, during a period not exceeding five years from the date of grant, subject to earlier termination upon the termination of the optionee’s employment, upon the optionee ceasing to be an employee, officer or director of or consultant of the Corporation or any of its subsidiaries, as applicable, or upon the optionee retiring, becoming permanently disabled or dying, subject to certain grace periods to allow the optionee or his personal representative time to exercise such options.

The options are non-transferable and non-assignable. The Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of the subdivision, consolidation, reclassification or change of the shares, a merger or other relevant changes in the Corporation’s capitalization. The Board of Directors may from time to time amend or revise the terms of the Plan or may terminate the Plan at any time.

Awards made under the Plan are intended to reward contribution to the long-term performance of the Corporation. Option Awards serve to align participants’ interests with shareholders of the Corporation and provides additional incentive for participants to increase shareholder value by increasing long-term equity participation. Awards of options under the Plan are based on performance of the Corporation and the respective participant and determined in the discretion of the Board of Directors upon recommendation of the Compensation and Nominating Committee. Previous Awards are taken into account when the Compensation and Nominating Committee considers new option Awards. There were no options awarded to NEOs, directors, officers and employees during fiscal 2017.

Please see the tables that follow for additional information on the option Awards under the Plan.

5. All other Compensation

“All other compensation” includes Commissions associated with meeting sales targets for the COO, an automobile allowance payable to the Chief Executive Officer, RRSP matching from the Corporation for Canadian executives and IRA matching for the COO. The matching is the amount that the Corporation is required to match the NEOs RRSP or IRA contribution in each year. The RRSP contribution is paid 50% in the same year and 50% two years later provided the NEO is still employed at that time and is capped at \$10,000 per year.

Table of compensation excluding compensation securities

The following table sets forth all compensation for services in all capacities to the Corporation for the fiscal years ended June 30, 2014 to 2017 in respect of the NEOs.

Name and principal position	Year	Salary (\$)	Bonus (\$)	Value of perquisites (\$)	All other compensation (\$)	Total compensation (\$)
William Wignall, President & Chief Executive Officer ¹	2017	\$300,000	\$295,000	\$12,000 ²	\$10,000 ³	\$617,000
	2016	\$300,000	\$139,000	\$12,000 ²	\$10,000 ³	\$461,000
	2015	\$300,000	\$137,000	\$12,000 ²	\$18,000 ³	\$467,000
	2014	\$300,000	\$150,00	\$12,000 ²	\$10,000 ³	\$472,000
David Moore, Chief Financial Officer	2017	\$190,000	\$110,000	-	\$10,000 ³	\$310,000
	2016	\$185,000	\$70,000	-	\$10,000 ³	\$265,000
	2015	\$185,000	\$55,000	-	\$10,000 ³	\$250,000
	2014	\$175,000	\$40,000	-	\$10,000 ³	\$225,000
Anthony Lewis, Chief Operating Officer ⁵	2017	\$238,179	-	-	\$300,593 ⁴	\$538,772
	2016	\$214,500	\$29,250	-	\$106,628 ⁴	\$350,378
	2015	\$103,376	\$55,800	-	-	\$159,186

¹ Mr. Wignall is also a director of the Corporation but does not receive compensation for his services as a director.

² Perquisites are a monthly automobile allowance in the amount of \$12,000 per year

³ Other compensation includes RRSP matching from the Corporation.

⁴ Other compensation includes commissions on sales.

⁵ Mr. Lewis joined Sangoma in January 2015 half way through fiscal 2015 and was appointed Chief Operating Officer during 2017.

Table of compensation securities

The following table sets forth the compensation securities of the Corporation outstanding for each NEO as at the end of the year ended June 30, 2017.

Compensation securities							
Name and position	Type of compensation security	Number of securities underlying unexercised options (#)	Date of issue or grant	Option exercise price (\$)	Closing price of security on date of grant (\$)	Closing price of security at year end (\$)	Option expiration date
William Wignall, President & Chief Executive Officer	Options	1,981,985	Nov 20, 2015	\$0.28	\$0.26	\$0.83	Nov 20, 2020
	Options	600,000	Jun 5, 2014	\$0.35	\$0.31	\$0.83	Jun 5, 2019
David Moore, Chief Financial Officer	Options	672,172	Nov 20, 2015	\$0.28	\$0.26	\$0.83	Nov 20, 2020
	Options	185,000	Jun 5, 2014	\$0.35	\$0.31	\$0.83	Jun 5, 2019
Anthony Lewis, Chief Operating Officer	Options	400,000	Jun 22, 2016	\$0.30	\$0.30	\$0.83	Jun 22, 2021

¹ Option based award values are calculated in accordance with International Financial Reporting Standards (“IFRS”) using the Black-Scholes option pricing model to determine the fair market value of the shares at the close of business on the grant date using a dividend yield of 0%, a risk-free rate of 0.7%, a volatility of 58.2% and a five year term.

² NEO stock option grants are shown in the outstanding share based awards table below.

Value Vested or Earned During the Year

The following table sets forth for each NEO the value that would have been realized if the options granted under the Plan had been exercised on their vesting date and the value earned under non-equity incentives, all during the year ended June 30, 2017. During the year none of the NEOs exercised stock options.

Name	Option-based awards - Value vested during the year (\$) ¹	Share-based awards - Value vested during the year (\$) ¹	Non-equity incentive plan compensation - Value earned during the year (\$)
William Wignall, President & Chief Executive Officer	\$124,195	-	\$295,000 ²
David Moore, Chief Financial Officer	\$41,605	-	\$110,000 ²
Anthony Lewis, Chief Operating Officer	\$51,000	-	\$300,593 ³

¹ Value based on closing price of the Common Shares on the TSXV as of June 30, 2017, \$0.83. As at June

² Bonuses approved by the Nominating and Compensation Committee.

³ \$300,593 of commissions earned each quarter and paid in the following quarter.

RRSP Matching Plan

In Canada the Corporation matches RRSP contributions up to \$10,000 per year for each NEO. One half of the Corporation's matching obligation is paid into the NEO's RRSP plan in the calendar year in which the NEO makes their contribution and the remaining one half of the Corporation's matching obligation is paid into the NEO's RRSP plan in the second fiscal year after the contribution by the NEO, provided that the NEO is still employed by the Corporation.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Corporation has entered into executive employment contracts with Messrs. Wignall, Moore and Lewis (the "**Executive Contracts**"). The Executive Contracts are for an indefinite term but may be terminated in by the Corporation or the executive in certain circumstances and subject to certain conditions, some of which are described below.

The Corporation may terminate the Executive Contracts at any time for cause, which includes disability or death of the executive, without notice or pay in lieu of notice and without obligation to pay any further salary, bonus or benefits following the termination date. In addition, the Corporation may terminate Mr. Wignall at any time without cause upon payment of fifteen months salary, bonus and continuation of benefits. Mr. Moore may be terminated without cause upon payment of six months compensation, all accrued and unpaid vacation and continuation of benefits in accordance with the Ontario *Employment Standards Act, 2000*, as amended. Pursuant to the terms of the Executive Contracts, Mr. Wignall and Mr. Moore may terminate their Executive Contracts at any time upon not less than two months written notice to the Corporation and Mr. Lewis may terminate his Executive Contract at will. In Mr. Wignall's case, he is also entitled to terminate his Executive Contract for "good reason", in which event he shall be entitled to eighteen months of severance, the full bonus due over that period and benefits continuance. "Good reason"

means (a) a material change in the aggregate in his position, responsibility, compensation program, reporting or material benefits, (b) a requirement for him to be based anywhere other than within 25 km of the Corporation's current offices in Markham, Ontario or (c) a "change of control" (in which case he shall have twelve months following such change of control to terminate his Executive Contract for good reason). A "change of control" means any of the following: (i) the acquisition by an arm's-length third party, directly or indirectly, by way of take-over bid, amalgamation, plan of arrangement or other process, of outstanding shares of the Corporation representing more than fifty percent (50%) of the votes attaching to all outstanding voting shares of the Corporation, or (ii) the acquisition by an arm's-length third party, directly or indirectly, of all or substantially all of the assets of the Corporation or (iii) the liquidation of the Corporation, whether through the declaration of a liquidating dividend or through an amalgamation or restructuring that leads to liquidation or otherwise.

The following table sets out the estimated termination costs for each of the NEOs assuming that the termination event took place on the last business day of the fiscal year ended June 30, 2017.

Name	Termination Event	Base Salary	Bonus	Stock Options	Benefits	RRSP Matching	TOTAL
William Wignall, President & Chief Executive Officer	Without Cause	\$375,000	\$375,000	-	\$6,000	\$12,500	\$768,500
	Good Reason or Change of Control	\$450,000	\$450,000		\$7,200	\$15,000	\$937,200
David Moore, Chief Financial Officer	Without Cause	\$87,500	\$28,000	-	\$2,400	\$5,000	\$122,900

The Executive Contracts provide for annual review of base salaries and increase at the discretion of the board. For the financial year ended June 30, 2017, Mr. Wignall received a base salary of \$300,000, Mr. Moore received a base salary of \$190,000 and Mr. Lewis received a base salary of \$238,178.

Pursuant to the terms of the Executive Contracts, the executives may earn a discretionary annual cash bonus. For the financial year ended June 30, 2017, Mr. Wignall was awarded a discretionary bonus of \$295,000 and Mr. Moore was awarded a discretionary bonus of \$110,000.

The long-term incentive options of Messrs. Wignall, Moore and Lewis have a term of five years from the date of the grant. All unvested options immediately terminate upon the executive being provided with notice of termination of employment with the Corporation, without regard to the period of notice or pay in lieu of notice to which the executive may be entitled. In the event of a change of control (as defined above) all unvested options for Mr. Wignall and Mr. Moore immediately vest.

On November 20, 2015 Mr. Wignall was granted 1,981,985 options at an exercise price of \$0.28 per share with vesting of 25% on November 20, 2016 and thereafter in equal installments every three months until fully vested on November 20, 2020. On June 5, 2014 Mr. Wignall was granted 600,000 options at an exercise price of \$0.35 per share with vesting of 25% on June 5, 2015 and thereafter in equal installments every three months until fully vested on June 5, 2019.

On November 20, 2015 Mr. Moore was granted 672,175 options at an exercise price of \$0.28 per share with vesting of 25% on November 20, 2016 and thereafter in equal installments every three months until fully vested on November 20, 2020. On June 5, 2014 Mr. Moore was granted 185,000 options at an exercise price of \$0.35 per share with vesting of 25% on June 5, 2015 and thereafter in equal installments every three months until fully vested on June 5, 2019.

On June 26, 2016 Mr. Lewis was granted 400,000 options at an exercise price of \$0.35 per share with vesting 25% on June 26, 2017 and thereafter in equal installments every three months until fully vested on June 5, 2019.

Each of the Executive Contracts contains certain customary provisions dealing with assignment of intellectual property and non-competition, non-solicitation and confidentiality provisions in favour of the Corporation.

Except as otherwise disclosed herein, there are no compensatory plans, contracts or arrangements in place with the Named Executive Officers resulting from the resignation, retirement or any other termination of employment of the Named Executive Officers with the Corporation or from a change in control of the Corporation, or a change in the Named Executive Officers' responsibilities following a change in control, where in respect of the Named Executive Officers the value of such compensation exceeds \$150,000.

Compensation of Directors

During the financial year ended June 30, 2017, an aggregate of \$65,000 in cash compensation was paid to non-employee directors of the Corporation in their capacity as directors. Each director, other than the Chairman and CEO, was paid a retainer of \$15,000 for Fiscal 2016. The Chairman was paid a retainer of \$20,000 per annum for Fiscal 2017. The following table sets forth all compensation provided to the Corporation's directors for the year ended June 30, 2017:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Yves Laliberté	\$15,000	-	-	-	-	-	\$15,000
David Mandelstam ¹	\$20,000	-	-	-	-	\$11,055	\$31,055
William Wignall ²	-	-	-	-	-	-	-
Al Guarino	\$15,000	-	-	-	-	-	\$15,000
Allan Brett	\$15,000	-	-	-	-	-	\$15,000

¹ Mr. Mandelstam controls Entropy Control Ltd., a company that provides certain services to the Corporation, including the preparation and filing of the Company's SRED tax claims. The annual fee payable to Entropy Control Ltd. was \$11,055.

² Mr. Wignall is the current President and CEO and does not receive compensation for serving as a director of the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the date of the end of the most recently completed year end, June 30, 2017, regarding the number of Common Shares to be issued upon the exercise of outstanding options and the weighted-average exercise price of the outstanding options in connection with the Corporation's stock option plan. The Corporation does not have any equity compensation plans that have not been approved by Shareholders.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans
Stock Option Plan	5,892,380	0.31	306,780
Equity compensation plans not approved by securityholders	-	-	-
Total	5,892,380	0.31	306,780

REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a top priority for the Board of Directors and the Corporation's management as it believes that this will help create and maintain shareholder value in the long term. The Board of Directors has carefully considered its corporate governance practices against the corporate governance guidelines set out in National Policy 58-201 – *Corporate Governance Guidelines* and believes that the Corporation is well aligned with such guidelines. The Corporation has formally adopted a set of charters and corporate governance policies which are referred to throughout this Circular. The Chairman of the Board of Directors is Mr. David Mandelstam.

Independence of Directors

Upon the election of the directors put forth for nomination at the Meeting, the Board of Directors will consist of a total of five directors of which David Mandelstam, Yves Laliberté, Al Guarino and Allan Brett are considered “independent” as such term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. William Wignall is not considered independent as he is an executive officer of the Corporation.

The independent board members meet independently with the auditors annually and otherwise as necessary throughout the year.

None of the proposed directors serve on the board of directors of a reporting issuer or the equivalent in a foreign jurisdiction.

Orientation and Continuing Education

The Corporation has developed a directors' handbook, which includes Board and Committee mandates, the Code of Business Conduct for employees, insider trading policies and other relevant information. All new directors are given this briefing upon their appointment. The material is reviewed and updated as required. As part of the continuing education of directors, management has periodic meetings with the directors at which executive management update the directors on key business issues.

Code of Business Conduct

The Board has adopted a written Code of Business Conduct for its employees, officers and directors. A copy of the Code of Business Conduct may be found on www.sedar.com. The Board will monitor compliance, including through receipt by the Audit Committee of reports of unethical behaviour.

Nomination of Directors

The Compensation and Nominating Committee co-ordinates and manages the process of recruiting, interviewing, and recommending candidates to the Board of Directors. This committee has a formal written charter which outlines the committee's responsibilities, requisite qualifications for new directors, the appointment and removal of directors and the reporting obligations to the Board of Directors. In addition, the Compensation and Nominating Committee is given authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

Compensation of Directors and the Chief Executive Officer

For details on the compensation of Directors and the CEO, please see the section above entitled "Executive Compensation Discussion and Analysis."

Corporate Governance Committee

The role of the Corporate Governance Committee is to develop and monitor the Corporation's approach to matters of governance. The committee has a formal written charter which outlines the committee's responsibilities. The duties of the Corporate Governance Committee include developing a position description for the chairman of the Board (the "Chairman") and assessing the performance of the Chairman. In addition, the Corporate Governance Committee is responsible for developing and implementing the orientation and educational program for new recruits to the Board.

Assessments

The Board of Directors, through its Corporate Governance Committee and Compensation and Nominating Committee, will regularly assess the overall performance of the Board of Directors, the committees, and the individual directors through a combination of formal and informal means, including the distribution of a Board Effectiveness Survey.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director, executive officer or senior officer of the Corporation or proposed management nominee for election as a director of the Corporation, nor each associate of any such director, officer or proposed management nominee, is or has been indebted to the Corporation at any time during the last completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out herein, no informed person (as such term is defined in the National Instrument 52-110 – *Audit Committees*) or proposed nominee for election as a director of the Corporation nor any associate or affiliate of the foregoing has any interest, direct or indirect, in any material transactions in which the Corporation has participated since July 1, 2016 or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its associates.

AUDIT COMMITTEE

Audit Committee's Charter

As a TSX Venture Exchange listed company, the Corporation is required to have an audit committee for the purpose of monitoring and enhancing the quality of the financial information disclosed by the Corporation. The Audit Committee charter (the “**Charter**”) is reproduced as Schedule “A”.

Composition of Audit Committee

The Audit Committee is comprised of Al Guarino (Chair), Yves Laliberté, and Allan Brett. None of the members of the Audit Committee are employees, Control Persons (as defined by the rules and policies of the TSXV) or officers of the Corporation. Each of the members of the Audit Committee is “financially literate” (within the meaning given to such term in National Instrument 51-102 *Continuous Disclosure Obligations*). Al Guarino, Yves Laliberté and Allan Brett are considered “independent”.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Corporation's financial statements.

Al Guarino is Chair of the Audit Committee and is currently CEO of Seta Enterprises Inc. in Toronto. He has previously been CFO of Health Holdings Company and was the Managing Partner of Arthur Andersen Enterprise Practice. He is a CPA and holds a Bachelor of Commerce from the University of Toronto.

Yves Laliberté has held (and currently holds) senior management positions in various companies, including those listed on the TSX and NASDAQ. He is a member of the Institute of Corporate Directors and was part of the Audit Committee of Aastra Technologies Limited until April 2006.

Allan Brett is a CPA, CA and CBV, and is currently the CFO at The Descartes Systems Group Inc., a public company listed on the TSX and NASDAQ. From June 1996 until January 2014, Mr. Brett was the CFO at Aastra Technologies Limited, a TSX listed company.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Board of Directors of the Corporation.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to “De Minimis Non-Audit Services” or any exemption provided by Part 8 of Multilateral Instrument 52-110 – *Audit Committee*.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Charter reproduced as Schedule “A”, the Audit Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.

External Auditor Service Fees (By Category)

- a. Audit Fees - The Corporation's external auditors billed the Corporation \$88,811 for fees associated with the audit work for the financial year ended June 30, 2017 and \$78,811 for the audit work related to the financial year ended June 30, 2016.
- b. Audit Related Fees - The Corporation's external auditors did not bill the Corporation for assurance and related services that are reasonably related to the performance of the audit or reviewing the Corporation's financial statements and are not included under "Audit Fees" (above) for the financial year ended June 30, 2017 and for the financial year ended June 30, 2016.
- c. Tax Fees – The Corporation's external auditors billed the Corporation \$42,820 during the financial year ended June 30, 2017 for services related to tax compliance, tax advice and tax planning and \$43,117 for the financial year ended June 30, 2016.
- d. All Other Fees – The Corporation's external auditors did not bill the Corporation for any other services during the year ended June 30, 2017 or for the financial year ended June 30, 2016.

Exemption

The Corporation is relying upon the exemption in section 6.1 of National Instrument 52-110.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. Election of Directors

Shareholders have authorized the board of directors by special resolution to fix the number of directors by resolution and the number of directors is currently fixed at five.

It is proposed that each of the persons whose name appears below be elected as a director of the Corporation to serve until the close of the next annual meeting of shareholders or until his successor is elected or appointed. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the election of directors and shareholders will vote for the election of each individual director separately.

In the event a nominee is unable or unwilling to serve, an event that management of the Corporation has no reason to believe will occur, the persons named in the accompanying form of proxy reserve the right to vote for another person at their discretion, unless a Shareholder has specified in the form of proxy that the Common Shares subject to such proxy are to be withheld from voting for the election of directors.

The following table sets forth the name and residence of each person to be nominated by management of the Corporation for election as a director, such person's principal occupation, including his or her present position with the Corporation, the period or periods of his or her service as a director of the Corporation, whether each nominee is an "independent" director (as that term is defined in National Instrument 52-110 — *Audit Committees* ("NI 52-110")), and the approximate number of Common Shares beneficially owned, directly or indirectly, or subject to control or direction, by such person as at the date of this Circular:

Name and Place of Residence	Principal Occupation	Director Since	Independent Director Yes/No	Number of Common Shares Beneficially Owned or Controlled ¹
David Mandelstam ⁶ Ontario, Canada	Retired, Chairman of the Board of Directors ³	March 2001	Yes	4,292,500 ^{4,7}
Yves Laliberté ^{2,6} Ontario, Canada	President Business Development Komutel Communications	August 2007	Yes	10,000 ⁷
William Wignall ⁵ Ontario, Canada	President and Chief Executive Officer of the Corporation	December 2010	No	174,500 ⁸
Al Guarino ^{2,5} Ontario, Canada	CEO of Physiomed Health	May 2014	Yes	26,000 ⁷
Allan Brett ² Ontario, Canada	CFO, Descartes Systems Group	January, 2017	Yes	25,000 ⁷

¹ Individual directors have furnished information as to Common Shares beneficially owned, controlled or directed, directly or indirectly, by such director. The Corporation has relied on this information for purposes of this disclosure.

² Member of the Audit Committee.

³ Mr. Mandelstam was until October 2010 the President and Chief Executive Officer of the Corporation.

⁴ 1,402,500 of these Common Shares are held by Vanessa Mandelstam, the spouse of David Mandelstam and 325,000 Common Shares are held by Entropy Control Ltd., a corporation controlled by David and Vanessa Mandelstam. Mr. Mandelstam also holds 100,000 stock options.

⁵ Member of the Corporate Governance Committee.

⁶ Member of the Compensation and Nominating Committee.

⁷ Messrs. Guarino, Laliberté, Brett and Mandelstam have each been granted 100,000 stock options.

⁸ Mr. Wignall has been granted 2,581,985 stock options.

To the knowledge of the Corporation, no proposed director:

- a. is, as at the date of this, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director 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, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) 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;
- c. has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- d. 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

- e. 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 security holder in deciding whether to vote for a proposed director.

The persons named in the form of proxy which accompanies this Circular intend to vote FOR the election of the nominees listed above as directors of the Corporation unless the Shareholder of the Corporation has specified in the form of proxy that the Common Shares represented by such form of proxy are to be withheld from voting in respect thereof.

2. Appointment of Auditor

Shareholders are being asked to re-appoint MNP LLP as auditor of the Corporation to hold office until the next annual meeting of shareholders. **Unless authority to do so is withheld, proxies given pursuant to this solicitation by the management of the Corporation will be voted “FOR” the appointment of MNP LLP as auditor of the Corporation to hold office until the close of the next annual meeting of Shareholders, at a remuneration to be fixed by the Board.**

Additional information on the Corporation’s audit committee, and on the Corporation’s relationship with its independent auditor, is set out in the section “*Audit Committee*”, above.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except in so far as they may be Shareholders and unless otherwise disclosed in this Circular, no person who has been a director or executive officer of the Corporation at any time since July 1, 2016 or proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting other than the election of directors.

GENERAL

The consolidated financial statements of the Corporation for the financial year ended June 30, 2017, together with the report of the auditors thereon, will be presented to Shareholders at the Meeting for their consideration.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative consolidated annual financial statements and Management's Discussion and Analysis for the year ended June 30, 2017. Shareholders may contact the Chief Financial Officer of the Corporation at (905) 474 1990 extension 4107, or in writing at the registered address of the Corporation, to request copies of the Corporation's consolidated financial statements and Management's Discussion and Analysis.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Corporation, to the auditor of the Corporation, to the Shareholders and to the applicable regulatory authorities, have been approved by the directors of the Corporation.

DATED at Markham, Ontario
this 20th day of November, 2017.

Bill Wignall
William Wignall
President and Chief Executive Officer

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

SANGOMA TECHNOLOGIES CORPORATION.

(the "Corporation")

(Implemented pursuant to Multilateral Instrument 52-110)

Multilateral Instrument 52-110 (the "**Instrument**") relating to the composition and function of audit committees, effective March 30, 2004, as amended applies to the Corporation. The Instrument requires all affected issuers to have a written audit committee Charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

PART 1

Purpose:

The purpose of the Committee is to:

- a. improve the quality of the Corporation's financial reporting;
- b. assist the board of directors to properly and fully discharge its responsibilities;
- c. provide an avenue of enhanced communication between the directors and external auditors;
- d. enhance the external auditor's independence;
- e. increase the credibility and objectivity of financial reports; and
- f. strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

1.1 Definitions

"accounting principles" has the meaning ascribed to it in National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

"Affiliate" means a corporation that is a subsidiary of another corporation or companies that are controlled by the same entity;

"audit services" means the professional services rendered by the Corporation's external auditor for the audit and review of the Corporation's financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

"Charter" means this audit committee charter;

"Committee" means the committee established by and among certain members of the board of directors for the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“Control Person” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation.

“financially literate” has the meaning set forth in Section 1.2;

“immediate family member” means a person’s spouse, parent, child, sibling, mother or father-in-law, son or daughter-in-law, brother or sister-in-law, and anyone (other than an employee of either the person or the person’s immediate family member) who shares the individual’s home;

“Instrument” means Multilateral Instrument 52-110;

“MD&A” has the meaning ascribed to it in National Instrument 51-102;

“Member” means a member of the Committee;

“National Instrument 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*; and

“non-audit services” means services other than audit services.

1.2 Meaning of Financially Literate

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

PART 2

2.1 Audit Committee

The board of directors has hereby established the Committee for, among other purposes, compliance with the Instrument.

2.2 Relationship with External Auditors

The Corporation will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

2.3 Committee Responsibilities

1. The Committee shall be responsible for making the following recommendations to the board of directors:
 - a. the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and
 - b. the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:
 - a. reviewing the audit plan with management and the external auditor;

- b. reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
 - c. questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
 - d. reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
 - e. reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
 - f. reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
 - g. reviewing interim unaudited financial statements before release to the public;
 - h. reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report, and management's discussion and analysis;
 - i. reviewing the evaluation of internal controls by the external auditor, together with management's response;
 - j. reviewing the terms of reference of the internal auditor, if any;
 - k. reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
 - l. reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
 4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
 5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
 6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
 7. The Committee shall review all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.
 8. The Committee shall, as applicable, establish procedures for:
 - a. the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

- b. the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

2.4 De Minimis Non-Audit Services

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- a. the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiary entities to the corporation's external auditor during the financial year in which the services are provided;
- b. the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- c. the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

2.5 Delegation of Pre-Approval Function

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

PART 3

3.1 Composition

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall not be employees, Control Persons or officers of the Corporation.
4. If practicable, given the composition of the directors of the Corporation, each audit committee member shall be financially literate.

PART 4

4.1 Authority

The Committee shall have the authority to:

- a. engage independent counsel and other advisors as it determines necessary to carry out its duties;
- b. set and pay the compensation for any advisors employed by the Committee;
- c. communicate directly with the internal and external auditors; and
- d. recommend the amendment or approval of audited and interim financial statements to the board of directors.

PART 5

5.1 Disclosure in Information Circular

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

PART 6

6.1 Meetings

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee