

# **Kinaxis Inc.**

**Notice of annual meeting  
of common shareholders  
to be held on June 11, 2015  
Management Information Circular**

**2015**



## NOTICE OF 2015 ANNUAL MEETING OF SHAREHOLDERS

Ottawa, Ontario, May 6, 2015

Notice is hereby given that an annual meeting of shareholders (the “**Meeting**”) of Kinaxis Inc. (the “**Company**”) will be held at the Brookstreet Hotel, in Ottawa, Ontario, Canada, on Thursday June 11, 2015, at 10 a.m. (Toronto time) for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2014 and the auditor’s report thereon;
2. to elect directors;
3. to appoint auditors; and
4. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The Management Information Circular and proxy form (or request for voting instructions) for the Meeting are enclosed with this Notice.

**Shareholders of the Company who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy (or request for voting instructions) and return it by mail, hand delivery, fax or email to our transfer agent and registrar, CST Trust Company (CST), as follows:**

1. **By mail to CST Trust Company, P.O. Box 721, Agincourt, Ontario, M1S 0A1**
2. **By hand delivery to CST Trust Company**
3. **By fax to 1-866-781-3111 (toll free) or 416-368-2502 (within the 416 area code)**
4. **By email at [proxy@canstockta.com](mailto:proxy@canstockta.com)**

**Alternatively, you may vote through the internet at [www.cstvotemyproxy.com](http://www.cstvotemyproxy.com), by telephone at 1-888-489-5760 or by scanning the QR code on the form of proxy (or request for voting instructions) with your mobile device.**

If you do not expect to be present at the Meeting in person, please complete, date and sign the accompanying proxy form (or request for voting instructions) and return it in the envelope enclosed or by fax or email or otherwise vote by internet or by scanning the QR code, all by following the instructions on the accompanying proxy form (or requesting for voting instructions). In order to be valid and acted upon at the Meeting, forms of proxy as well as votes by internet, telephone or otherwise must be received in each case not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

Non-registered shareholders who receive these materials from their intermediaries should follow the instructions on the voting instruction form provided by their intermediaries with respect to the procedures to be followed for voting at the Meeting.

The Management Information Circular and this Notice of Meeting are available at <http://www.kinaxis.com/en/company/investor-relations/financial-reports/>.

Only persons shown on the register of shareholders and non-objecting beneficial shareholders at the close of business on April 30, 2015, or their proxy holders, will be entitled to attend the Meeting and vote.

Although the Notice of Meeting and Record Date filed on SEDAR on April 2, 2015 indicated that the Meeting would include special business, subsequent to the filing of that notice, management determined that Shareholders

would not be asked to consider any special business, and as a result, this Notice of Meeting and the enclosed Management Information Circular refer to the Meeting as an “annual meeting of shareholders”.

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

*(signed) Douglas Colbeth*

Douglas Colbeth  
President, Chief Executive Officer and Chairman of the Board

## MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular is provided in relation to the solicitation of proxies by the management of Kinaxis Inc. (“we”, “us”, “our”, “Kinaxis” and the “Company”) for use at the annual meeting of shareholders (the “Meeting”) of the Company to be held on Thursday, June 11, 2015 and at any adjournment or postponement thereof. Unless otherwise indicated, the information provided in this Management Information Circular is provided as of May 6, 2015, and all currency amounts are shown in United States dollars.

## PROXY MATTERS AND VOTING INFORMATION

### Solicitation of Proxies

The information contained in this Management Information Circular is furnished in connection with the solicitation of proxies to be used at the Meeting. **The solicitation of proxies by this Management Information Circular is being made by or on behalf of the management of the Corporation.** The solicitation of proxies will be made primarily by mail. Proxies may also be solicited by email, by telephone or in person. Employees, officers, directors or agents of the Company will solicit the proxies. The Company does not expect to pay any compensation for the solicitation of proxies and the Company will bear all expenses in connection with the solicitation of proxies. The Company has not retained the services of any third party to solicit proxies.

References to a “form of proxy” or “proxy form” in this Management Information Circular also include a request for voting instructions or voting instruction form, as applicable.

### Appointment and Revocation of Proxyholders

**The persons appointed to act under the proxy form solicited by the management of the Company are directors or officers of the Company. Every shareholder has the right to appoint some other person or company of their choice (who need not be a shareholder) to attend and act on their behalf at the Meeting, or any adjournment or postponement thereof, and may do so by inserting such other proxyholder’s name in the blank space provided for that purpose in the proxy form.** The proxy form is the only voting option for shareholders who wish to appoint a person as proxy other than the nominees named on the proxy form.

A proxy may be revoked at any time by the person giving it to the extent that it has not yet been exercised. A proxy may be revoked by filing a written notice with the Secretary of the Company at any time up to and including the last day preceding the day of the Meeting, or any adjournment or postponement thereof. The powers of the proxyholders may also be revoked if the shareholder attends the Meeting in person and so requests.

The persons whose names are printed on the proxy form will vote all the shares in respect of which they are appointed to act in accordance with the instructions given on the proxy form. **In the absence of a specified choice in relation to any matter to be voted on at the Meeting, or if more than one choice is indicated, the shares represented by the proxy form will be voted FOR the matter in question.**

Every proxy given to any person in the proxy form that accompanies the Notice of Meeting will confer discretionary authority with respect to amendments or variations to the items of business identified in the Notice of Meeting and with respect to any other matters that may properly come before the Meeting.

### Voting Procedures

#### *Registered Shareholders*

You are a “registered shareholder” if you have a share certificate or Direct Registration System (DRS) statement issued in your name and as a result, have your name shown on Kinaxis’ register of shareholders kept by our transfer agent and registrar, CST Trust Company.

If you are a registered shareholder, you can vote your shares by attending the Meeting in person, by appointing someone else as proxyholder to attend the Meeting and vote your Common Shares for you, by completing your proxy form and returning it by mail, hand, fax or email delivery in accordance with the instructions set forth therein, or by internet by visiting the website shown on your proxy form (refer to your control number shown on your proxy form) and following the online voting instructions, by telephone, or by scanning the QR code on the form of proxy with your mobile device.

### ***Non-Registered Shareholders (Beneficial Owners)***

You are a “non-registered shareholder” or “beneficial owner” if your shares are held on your behalf through an intermediary or nominee (for example, a bank, trust company, securities broker, clearing agency or other institution).

### **Non-Objecting Beneficial Owners (NOBOs)**

Under applicable securities legislation, a beneficial owner of securities is a “non-objecting beneficial owner” (or “**NOBO**”) if such beneficial owner has or is deemed to have provided instructions to the intermediary holding the securities on such beneficial owner’s behalf not objecting to the intermediary disclosing ownership information about the beneficial owner in accordance with said legislation.

If you are a NOBO, the Company has sent these materials directly to you, and your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities legislation 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.

If you are a NOBO and your name has been provided to CST, you can vote your shares by attending the Meeting in person by appointment yourself as proxyholder, by appointing someone else as proxyholder to attend the Meeting and vote your Common Shares for you, by completing your voting instruction form and returning it by mail, hand, fax or email delivery in accordance with the instructions set forth therein, or by internet by visiting the website shown on your voting instruction form (refer to your control number shown on your voting instruction form) and following the online voting instructions, by telephone, or by scanning the QR code on the voting instruction form with your mobile device.

### **Objecting Beneficial Owners (OBOs)**

Under applicable securities legislation, a beneficial owner is an “objecting beneficial owner” (or “**OBO**”) if such beneficial owner has or is deemed to have provided instructions to the intermediary holding the securities on such beneficial owner’s behalf objecting to the intermediary disclosing ownership information about the beneficial owner in accordance with said legislation.

If you are an OBO, you received these materials from your intermediary or its agent (such as Broadridge), and your intermediary is required to seek your instructions as to the manner in which to exercise the voting rights attached to your Common Shares. The Company has agreed to pay for intermediaries to deliver to OBOs the proxy-related materials and the relevant voting instruction form. The voting instruction form that is sent to an OBO by the intermediary or its agent should contain an explanation as to how you can exercise the voting rights attached to your Common Shares, including how to attend and vote directly at the Meeting. Please provide your voting instructions to your intermediary as specified in the enclosed voting instruction form.

### **Voting Shares**

Each holder of Common Shares is entitled to one vote per share. As at May 6, 2015, 23,808,644 Common Shares are issued and outstanding. Only persons shown on the register of Common Shares at the close of business on April 30, 2015 (the “**Record Date**”), and NOBOs as of the Record Date, or their respective proxyholders, will be entitled to attend the Meeting and vote. As of the Record Date there were 23,807,707 Common Shares issued and outstanding.

In order to be valid and acted upon at the Meeting, completed proxies or votes must be received by CST by 5:00 p.m. (Toronto time) on June, 9, 2015 or, in the case of any adjournment or postponement of the Meeting, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of the adjourned or postponed Meeting. Note that if you are an OBO, your intermediary will need your voting instructions sufficiently in advance of this deadline to enable your intermediary to act on your instructions prior to the deadline. See “*Voting Procedures - Non-Registered Shareholders (Beneficial Owners)*”.

### Principal Shareholders

The following table shows the names of the persons who, as of May 6, 2015, to our knowledge, beneficially own, control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of our voting securities:

<u>Name of Shareholder</u>	<u>Number of Common Shares</u>	<u>% of Common Shares</u>
TechnoCap I, L.P. <sup>(1)</sup>	2,880,530	12.10%
Fidelity <sup>(2)</sup>	3,466,100	14.56%

(1) The general partner of TechnoCap I, L.P., TurnCap Inc., is controlled by Richard Prytula and Marc Balevi, one of our directors.

(2) The Common Shares reflected in the table above are held by Fidelity through Fidelity Management & Research Company, Pyramis Global Advisors, LLC, Pyramis Global Advisors Trust Company, Strategic Advisers Incorporated, FIL Limited and certain of its affiliates, Crosby Advisors LLC and Fidelity SelectCo, LLC (collectively, “**Fidelity**”).

### Interests of Certain Persons or Companies in the Matters to be Acted Upon

To our knowledge, no director, executive officer or any of their respective associates or affiliates 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.

## BUSINESS TO BE TRANSACTED AT THE MEETING

The following items of business will be presented to the shareholders at the Meeting:

### 1. Presentation of the Audited Consolidated Financial Statements

The audited consolidated financial statements of the Company for the fiscal year ended December 31, 2014 and the auditor’s report thereon will be presented at the Meeting but will not be subject to a vote.

### 2. Election of Directors

Six (6) directors are to be elected to hold office until the close of the next annual meeting of shareholders or until their successor is elected or appointed. Each of the persons presented under “*Proposed Nominees for Election as Directors*” in this Management Information Circular is proposed to be nominated as a director of the Company and each nominee has agreed to serve as a director if elected.

**The persons named as proxies in the proxy form intend to cast the votes represented by proxy at the Meeting FOR the election as directors of the seven persons nominated in this Management Information Circular unless shareholders direct otherwise.**

### 3. Appointment of Auditors

The Board of Directors recommends that KPMG LLP be appointed as the auditors of the Company to hold office until the next annual meeting of shareholders or until their successors are appointed. KPMG LLP have been the auditors of the Company since our inception.

**The persons named as proxies in the proxy form intend to cast the votes represented by proxy at the Meeting FOR the appointment of KPMG LLP as auditors.**

#### **4. Other Business to be Transacted at the Meeting**

Management of the Company is not aware of any amendment, variation or other matter to be submitted at the Meeting other than the matters set forth in the Notice of Meeting.

### **PROPOSED NOMINEES FOR ELECTION AS DIRECTORS**

#### **Information on Proposed Nominees**

The persons whose names are printed in the proxy form intend to vote FOR the election as directors of each of the proposed nominees set forth below. Each such candidate was proposed by the Board of Directors on the recommendation of the Nominating and Governance Committee (the “**Governance Committee**”) for election as a director. Each director elected will hold office until the next annual meeting of shareholders or until that director’s successor is duly elected or appointed, unless the office is earlier vacated. By filling in the proxy form, shareholders may vote for all directors or choose to withhold their vote from some or all of the directors proposed for election.

We have adopted a Majority Voting Policy whereby proxy forms for shareholders’ meetings at which directors are to be elected will enable the shareholder to vote for or to withhold from voting for each individual nominee. If a director nominee has more votes withheld than are voted in favour of him or her, the nominee will be considered not to have received the support of the shareholders, even though duly elected as a matter of corporate law. A person elected as a director who is considered for the purpose of this policy not to have received the support of the shareholders is required to immediately tender his or her resignation as a director, to be effective on acceptance by the Board of Directors. The Board of Directors will consider the tendered resignation and will determine whether or not to accept the resignation within 90 days after the date of the relevant shareholders’ meeting. The nominee will not participate in any meetings of the Board of Directors or committee thereof at which the resignation is considered. The Board of Directors will accept the tendered resignation unless it determines that there are exceptional circumstances relating to the composition of the Board of Directors or the voting results that should delay the acceptance of the resignation or justify rejecting it. The Company will promptly issue a new release with the Board of Director’s decision as to whether to accept or reject the resignation. In the event the resignation is rejected, the Company’s news release will set forth the reasons for the decision. The policy does not apply in circumstances involving contested director elections. A copy of the Majority Voting Policy can be found on the Corporate Governance section of our website at [www.kinaxis.com](http://www.kinaxis.com).

The tables below identify each of the proposed nominees; their principal occupation; their province or state, and country of residence; their age; the year when the person first became a director; whether the candidate has been determined by the Board of Directors to be independent of, or related to, the Company; their Board of Directors and Committee memberships and attendance record; other public company board memberships; the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, the number of restricted share units, performance share units and deferred shares units of the Company held (see “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Long-Term Equity Incentives*”), with all such securities ownership information provided by each of the candidates as at May 6, 2015.

<b>DOUGLAS COLBETH</b>					
Mr. Colbeth has been a director of Kinaxis since 2001, and moved into his current position as President and Chief Executive Officer in 2003. Prior to joining Kinaxis, Mr. Colbeth was Chief Executive Officer of Spyglass Inc., a leading provider of Internet software technologies. In June 1995, Spyglass became one of the first Internet software companies to conduct a successful initial public offering. Mr. Colbeth holds a Bachelor of Science degree from Siena College in New York. As of April 29, 2015 Mr. Colbeth became a Director of On-Point Technologies.					
Scottsdale, Arizona Age: 59 Director since: 2001 Not Independent	Board/Committee Membership		Attendance Record for Fiscal 2014		Other Public Company Board Memberships
	Board of Directors (Chairman)		10 of 10	100%	-
Securities Held					
As at	Common Shares	RSUs (#)	PSUs (#)	DSUs (#)	Total Market Value of Securities
May 6, 2015	1,576,667 <sup>(1)</sup>	68,333	-	-	Cdn\$46,833,150

<b>MARC BALEVI</b>					
Mr. Balevi is President of TechnoCap Inc. and a Managing Partner of TechnoCap I, L.P. Mr. Balevi has acted as a director and/or as chairman of the board, of various technology companies advising them in financing and strategic alliances. In 1981, Mr. Balevi joined KPMG LLP, an accounting firm, and practiced as a senior tax partner until 1996. Mr. Balevi holds a Bachelor of Commerce and a Diploma in Accountancy from McGill University. He also holds the professional designations of Chartered Professional Accountant (CPA, CA) and Trust & Estate Practitioner (TEP).					
Hudson, Quebec Age: 59 Director since: 1996 Not Independent	Board/Committee Membership		Attendance Record for Fiscal 2014		Other Public Company Board Memberships
	Board of Directors		10 of 10	100%	-
	Audit Committee		3 of 3 <sup>(8)</sup>	100%	
	Compensation Committee		1 of 1 <sup>(8)</sup>	100%	
Securities Held					
As at	Common Shares	RSUs (#)	PSUs (#)	DSUs (#)	Total Market Value of Securities
May 6, 2015	- <sup>(2)</sup>	-	-	-	-

<b>JOHN (IAN) GIFFEN</b>					
<p>Mr. Giffen currently serves as an advisor and/or director to technology companies and investment funds. Mr. Giffen is currently a director of Absolute Software Corporation and a number of private companies. Since 1996, Mr. Giffen has served on the boards of a number of public companies, including Macromedia Inc., Descartes Systems Group Inc., MKS Inc., Digital Processing Systems Inc., MGI Software Corp., Delano Technology Corporation, Corel Corporation, Certicom Corp., Financial Models Company Inc., 724 Solutions Inc., Sierra Systems Group Inc., Open Text Corporation, MOSAID Technologies Incorporated, RuggedCom Inc. and Strategic Vista Inc., as well as on the boards of several private companies. Mr. Giffen is a Chartered Professional Accountant and with a Designation in Corporate Finance. He also has a Bachelor of Arts degree from the University of Strathclyde in Glasgow. Mr. Giffen's professional designations, his educational background, his years of executive experience in the technology sector, including as the Vice President and Chief Financial Officer for Alias Research Inc. from 1992 to 1996, and his service on other public company boards and board committees, including as a member of the audit committee for the board of directors of all of the public companies on which he has served, and the chair all of such audit committees, with the exception of MOSAID Technologies Incorporated, are all relevant to the performance of his responsibilities as the Chair of our Audit Committee.</p>					
Toronto, Ontario Age: 57 Director since: 1996 Independent	Board/Committee Membership		Attendance Record for Fiscal 2014		Other Public Company Board Memberships
	Board of Directors (Lead Independent Director)		10 of 10	100%	Absolute Software Corporation (TSX)
	Audit Committee (Chair)		7 of 7	100%	
	Nominating and Governance Committee <sup>(6)</sup>		2 of 2	100%	
Securities Held					
As at	Common Shares	RSUs (#)	PSUs (#)	DSUs (#)	Total Market Value of Securities
May 6, 2015	15,000	-	-	3,000	Cdn\$512,460

<b>HOWARD GWIN</b>					
<p>From November 2011 to December 2012, Mr. Gwin served as a Managing Director of OMERS Ventures, the venture capital arm of OMERS, one of Canada's largest pension funds. Prior to joining OMERS Ventures, Mr. Gwin established a track record as a widely-respected technology company operator. In addition, Mr. Gwin previously served as President at Solect Technology Group, which was sold to Amdocs Inc., as Executive Vice President Worldwide Operations at Peoplesoft Inc., and held progressively senior roles at International Business Machines Corporation and Xerox Canada Finance Inc. Mr. Gwin was also a Managing Partner at Bridgescale Partners from March 2010 to September 2011. Mr. Gwin has previously served on the boards of a number of public companies, including Taleo Corp, MKS Inc. and Pivotal Corporation. Mr. Gwin currently serves on the boards of several private companies. Mr. Gwin holds a Bachelor of Arts degree from Simon Fraser University in Canada. Mr. Gwin's years of executive experience in the technology sector, his educational background, and his service on other public company boards and board committees, including as a member of the audit committee for the board of directors of Taleo Corp. and MKS Inc., are all relevant to the performance of his responsibilities as a member of our Audit Committee.</p>					
Shanty Bay, Ontario Age: 56 Director since: 2005 Independent	Board/Committee Membership		Attendance Record for Fiscal 2014		Other Public Company Board Memberships
	Board of Directors		10 of 10	100%	-
	Audit Committee (Chair)		7 of 7	100%	
	Nominating and Governance Committee (Chair) <sup>(6)</sup>		2 of 2	100%	
	Compensation Committee		5 of 5	100%	
Securities Held					
As at	Common Shares	RSUs (#)	PSUs (#)	DSUs (#)	Total Market Value of Securities
May 6, 2015	15,000	-	-	3,000	Cdn\$512,460

<b>ROBERT WADSWORTH</b>					
Mr. Wadsworth joined HarbourVest Partners in 1986 and is a Managing Director who focuses on direct investments globally. Mr. Wadsworth manages many of HarbourVest Partners' investment activities in the industrial, services, and information technology sectors and serves on the firm's Executive Management Committee overseeing day-to-day operating activities and strategic direction. He is currently a director of MadCap Software, Inc., Earth Networks, Inc. and several other privately-held companies. He has previously served on the board of a number of public and private companies. Mr. Wadsworth's prior experience also includes management consulting with Booz, Allen & Hamilton, where he specialized in the areas of operations strategy and manufacturing productivity. Mr. Wadsworth holds a Bachelor of Science degree in Systems Engineering and Computer Science from the University of Virginia and a Master of Business Administration from Harvard University. Mr. Wadsworth serves as a Trustee of the University of Virginia School of Engineering & Applied Science, St. Sebastian's School, and the Dana Hall School.					
Wellesley, Massachusetts Age: 55 Director since: 2000 Not Independent	Board/Committee Membership		Attendance Record for Fiscal 2014		Other Public Company Board Memberships
	Board of Directors		9 of 10	90%	-
	Compensation Committee		5 of 5	100%	
	Audit Committee		3 of 3 <sup>(7)</sup>	100%	
Securities Held					
As at	Common Shares	RSUs (#)	PSUs (#)	DSUs (#)	Total Market Value of Securities
May 6, 2015	-( <sup>3</sup> )	-	-	-	-

<b>RONALD MATRICARIA</b>					
Mr. Matricaria is currently a director and chairman of the board at Orthofix International N.V., a publicly traded global medical device company, and most recently served on the board of directors of, and as chairman of the board at, Volcano Corporation, a former publicly traded medical device company, was a member of the board of Phoenix Children's Hospital, and served on the board of directors of Life Technologies Corporation. Mr. Matricaria has previously served on the board of directors of a number of public and private companies including Home Depot Inc., Diametric Medical Inc., Ceridian Inc., Centocor, Inc., Haemonetics Corp, Kinetic Concepts Inc., Hospira Inc., Cyberonics Inc., Vistacare Inc., Advanced Medical Technology Association (AdvaMed), the Pharmaceutical Manufacturers Association International Section, the American Diabetes Association, the American Foundation for Pharmaceutical Education, the National Foundation for Infectious Diseases, the National Retiree Volunteer Center and the Indiana Repertory Theatre. Mr. Matricaria also has over 35 years of medical device and pharmaceutical experience at St. Jude Medical, Inc. and Eli Lilly and Company Inc. Mr. Matricaria holds a Bachelor of Science degree from the Massachusetts College of Pharmacy and was awarded an Honorary Doctorate degree in Pharmacy in recognition of his contributions to the practice of pharmacy. Mr. Matricaria's experience as the Chief Executive Officer of a prominent health care organization, his 23 years of executive experience in the pharmaceutical industry, and his service on other public company boards and board committees are all relevant to the performance of his responsibilities as a member of our Audit Committee.					
Scottsdale, Arizona Age: 72 Director since: 2014 Independent	Board/Committee Membership		Attendance Record for Fiscal 2014		Other Public Company Board Memberships
	Board of Directors		8 of 9 <sup>(5)</sup>	89%	Orthofix International N.V (NASDAQ)
	Audit Committee		4 of 4 <sup>(5)</sup>	100%	
	Nominating and Governance Committee <sup>(6)</sup>		2 of 2	100%	
	Compensation Committee (Chair)		4 of 4 <sup>(5)</sup>	100%	
Securities Held					
As at	Common Shares	RSUs (#)	PSUs (#)	DSUs (#)	Total Market Value of Securities
May 6, 2015	60,000 <sup>(4)</sup>	-	-	3,000	Cdn\$1,793,610

(1) 726,667 Common Shares held beneficially and of record by Douglas Colbeth and 850,000 Common Shares held of record by Douglas Colbeth and Margaret Colbeth as Trustees of the Colbeth Clinic Charitable Remainder Trust.

(2) TechnoCap I, L.P. holds 2,880,530 Common Shares with a market value as of May 6, 2015 of Cdn\$82,008,689. The general partner of TechnoCap I, L.P., TurnCap Inc., is controlled by Richard Prytula and Marc Balevi.

(3) HarbourVest International Private Equity Partners III holds 1,820,807 Common Shares with a market value as of May 6, 2015 of Cdn\$51,838,375. HarbourVest Partners, LLC, a global private equity investment firm, is the managing member of the general partner of HarbourVest International Private Equity Partners III. Robert Wadsworth, one of our directors, is a Managing Director of HarbourVest

Partners, LLC. HarbourVest Partners, LLC has established a five-person investment committee which is responsible for approving investments made by the funds sponsored by HarbourVest. Mr. Wadsworth is not a member of the HarbourVest Partners, LLC investment committee.

- (4) All 60,000 Common Shares are held of record by Ronald Matricaria, as Trustee of the Ronald and Lucille Matricaria Family Trust dated October 1, 2005.
- (5) Mr. Matricaria was appointed to the Board of Directors on January 29, 2014, the Audit Committee on April 28, 2014 and the Compensation Committee on April 16, 2014. As such he did not attend any meetings prior to those dates.
- (6) The Nominating and Governance Committee was formed on April 28, 2014.
- (7) Mr. Wadsworth left the Audit Committee on April 28, 2014. As such he did not attend any meeting after that date
- (8) Mr. Balevi left the Compensation Committee on April 16, 2014 and the Audit Committee on April 28, 2014. As such he did not attend any meeting after those dates.

### **Corporate Cease Trade Orders**

None of the nominees for election is, as at the date of this Management Information Circular, or has, within the 10 years prior to the date of this Management Information Circular, been a director, chief executive officer or chief financial officer of any company (including us) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation, in each case for a period of more than 30 consecutive days.

### **Bankruptcies**

Except as described below, none of the nominees for election to the Board of Directors is, as at the date of this Management Information Circular, or has been, within the ten years prior to 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.

Mr. Giffen became a director of Syncapse Corp., a private social media marketing management company, in May 2010 and resigned shortly before the appointment of a receiver in July 2013. The assets of Syncapse Corp. were subsequently sold under receivership.

### **Personal Bankruptcies**

To the best of our knowledge, in the last 10 years, none of the nominees for election to the Board of Directors nor any personal holding company owned or controlled by any of them, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, has become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets or the assets of their holding companies.

### **Penalties or Sanctions**

None of the nominees for election to the Board of Directors has (i) 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) 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 making an investment decision.

## Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest among us and the nominees for election to the Board of Directors as a result of their outside business interests except that certain of our directors serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

## EXECUTIVE COMPENSATION

The following section describes the significant elements of our executive compensation program, with particular emphasis on the process for determining compensation payable to our President and Chief Executive Officer, our Chief Financial Officer and our other officers and employees that we have determined are “executive officers” within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*. These individuals are referred to below as “Named Executives Officers” or “NEOs” and are:

- Douglas Colbeth, Chairman, President and Chief Executive Officer (“CEO”);
- Richard Monkman, Chief Financial Officer (“CFO”);
- John Sicard, Chief Products Officer (“CPO”); and
- Jeffrey Johnson, Executive Vice-President, Global Operations.

### Overview

The Compensation Committee currently consists of two independent directors within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, as amended from time to time (“NI 58-101”), Ronald Matricaria (Chair) and Howard Gwin, and one non-independent director, Robert Wadsworth. See “*Corporate Governance – Compensation Committee*” below. All members of the Compensation Committee have a working familiarity with human resources and compensation matters.

The Board of Directors has adopted a written charter for the Compensation Committee that establishes, *inter alia*, the Compensation Committee’s duties and responsibilities. These include the following:

- annually assessing and making a recommendation to our Board with regard to the competitiveness and appropriateness of the compensation package of our CEO, our other NEOs and certain other officers and key employees;
- annually reviewing the respective performance goals and criteria for our CEO and our other NEOs, as well as other officers, and evaluating the performance of our CEO, our other NEOs and other officers against such goals and criteria and recommending to our Board the amount of regular and incentive compensation to be paid to our CEO and our other NEOs and officers;
- reviewing and making recommendations to our Board regarding any employment contracts or arrangements with our CEO and other NEOs, including any retiring allowance arrangements or any similar arrangements to take effect in the event of a termination of employment;
- annually reviewing and recommending the aggregate bonus pools to be made available under our incentive compensation plans for the CEO, the other NEOs and other officers; and
- reviewing and making recommendations to our Board regarding the structure and implementation of incentive stock option plans, share unit plans or any other long term incentive plans and, to the extent delegated by our Board, approving grants to participants and the magnitude and terms of their participation.

Based on these assessments, reviews and recommendations by the Compensation Committee, our full Board of Directors makes decisions regarding compensation of the CEO and other NEOs, including salaries, bonuses and long-term incentives, and approves goals and objectives relevant to the compensation of our CEO and the other NEOs. The Board and Compensation Committee also solicit input from our CEO regarding the performance of our other NEOs.

In anticipation of Kinaxis becoming a public company, the Board of Directors, upon recommendation from the Compensation Committee, adopted certain changes to the existing executive compensation regime and severance pay practices and approved amended and restated employment agreements for executive officers.

The Company completed its initial public offering of Common Shares on June 10, 2014 (the “**IPO**”), and completed its financial year on December 31, 2014.

The NEO compensation for the year ended December 31, 2014 is summarized hereinafter under the subheading “*Summary Compensation Table*”. The compensation of the NEOs is based on factors described hereinafter.

## **Compensation Discussion and Analysis**

### ***Compensation Objectives and Philosophy***

Our compensation practices are designed to retain, motivate and reward our executive officers for their performance and contribution to our long-term success. Our Board of Directors seeks to compensate executive officers by combining short-term and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives, and to align executive officers’ incentives with the Company’s performance. These goals may include the achievement of specific financial or business development goals. Company performance goals are based on our financial performance during the applicable period.

Our Board of Directors’ philosophy is to pay fair, reasonable and competitive compensation with a significant equity-based component in order to align the interest of the Company’s executive officers with those of its shareholders.

### ***Compensation Consultant***

In March 2014, Arthur J. Gallagher & Co. Human Resources & Compensation Consulting Practice (“**Gallagher**”), an independent consulting firm, was retained by the Compensation Committee to provide market data and analytical support to the Compensation Committee and our Board of Directors with respect to the compensation programs for the CEO and other NEOs and directors. Gallagher delivered its report on April 8, 2014. In consultation with the Compensation Committee, Gallagher developed and reviewed a peer group consisting of 21 companies (the “**Comparator Group**”) and selected and examined relevant executive compensation databases. The analysis and recommendations provided by Gallagher were used by the Compensation Committee and the Board to develop the compensation for the CEO and the other NEOs following the Company’s IPO.

The aggregate fees billed to the Company for fiscal 2014 for executive compensation-related services and all other services provided by Gallagher are as set out below:

	<b>Fiscal 2013 (US\$)</b>	<b>Fiscal 2014 (US\$)</b>
Executive compensation-related fees <sup>(1)</sup> .....	—	\$33,000
All other fees .....	—	—

(1) Includes amounts paid to Gallagher for both executive and director compensation-related services.

### ***Market Positioning and Benchmarking***

The compensation structure for our financial year ended December 31, 2014 that is described below is a transition strategy that was intended to align our compensation on various measures with those of the Comparator Group in the short to medium term.

The companies in the Comparator Group were expected to reflect our financial outlook as a publicly-listed organization and have a level of complexity of operations and technologies comparable to Kinaxis.

The selection criteria used to determine the composition of the Comparator Group are the following:

- operations in relevant comparator industries, specifically, Internet software and services and application software;
- revenues substantially similar to Kinaxis, taking into account our relative size, our current results and our expected future outlook;
- securities that are publicly traded; and
- a headquarters in North America, reflective of our focus on our existing and target markets and competitors located in the United States.

The companies forming the Comparator Group meet all or some of the foregoing criteria and are listed below:

AMERICAN SOFTWARE INC.	DEMANDWARE, INC.	MARIN SOFTWARE INCORPORATED
BENEFITFOCUS, INC.	E2OPEN INC.	MARKETO INC.
BRIGHTCOVE INC.	EGAIN CORP.	SIQUEST CORPORATION
CARBONITE, INC.	ENVIVIO, INC.	SPS COMMERCE, INC.
CHANNELADVISOR CORP.	EVOLVING SYSTEMS, INC.	TEXTURA CORP.
CONCUR TECHNOLOGIES, INC.	EXA CORPORATION	VOCUS, INC.
CONSTANT CONTACT, INC.	IPASS INC.	ZIX CORP.

Our compensation policy for fiscal 2014 provided for a specific positioning of each element of total compensation in the market based on this well-defined Comparator Group. Recognizing that we are at an earlier stage than many of the companies in the Comparator Group, as an interim approach, our compensation practices were benchmarked using a regression method to account for our expected revenue scope in the short- to medium-term.

## *Elements of Compensation*

Our executive compensation consists primarily of the following elements: base salary, short-term incentives, long-term equity incentives and customary benefit programs. We do not offer any pension benefits. The following table summarizes the market positioning for each element of our compensation program.

<b>Compensation Element</b>	<b>Performance Criteria</b>	<b>Alignment with Market</b>
<b>Base salary</b>	Individual contribution and competencies and prior relevant experience	Aligned with <b>median</b> base salary offered in our Comparator Group
<b>Short-Term Incentive (Annual Bonus Program)</b>	Individual contribution, Adjusted EBITDA performance and Subscription Revenue performance	Aligned with <b>median</b> short-term incentives offered in the market, as defined in the Company's compensation policy
<b>Long-Term Equity Incentive</b>	Time-based vesting for both options and RSUs. Performance-based vesting for PSUs	Aligned with <b>median</b> long-term incentives offered in the our Comparator Group
<b>Benefits</b>	Not applicable	Customary benefit programs for scope and size of operations and workforce.

### *Base Salary*

Base salaries for executive officers are established based on the scope of their responsibilities and their prior relevant experience, taking into account compensation paid by other companies in the industry for similar positions and the overall market demand for such executives at the time of hire. An executive officer's base salary is determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with our overall compensation philosophy.

Base salaries are reviewed annually and increased for merit reasons, based on the executive's success in meeting or exceeding individual objectives. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities, as well as for market competitiveness.

### *Short-Term Incentive*

Our compensation program includes eligibility for annual incentive cash bonuses for our CEO, CFO and CPO under our annual bonus program. The target amounts to which each of these executives is entitled under our annual bonus program is recommended by the Compensation Committee and approved by our Board of Directors. The bonus program does not apply to Mr. Johnson who as a sales executive is on separate short-term compensation program.

When making a recommendation to set or increase the short-term incentive target for the CEO, CFO and CPO, the Compensation Committee takes into consideration the scope of the executive's responsibilities, his base salary and the positioning of his short-term incentive target compared to our Comparator Group. Our Board has set short-term incentive targets for our CEO at 100% of base salary and for our CFO and CPO at 75% of their respective base salaries. Incentives consist of individual and two corporate performance components.

For the fiscal year ended December 31, 2014 awards under our annual bonus program were calculated as follows:

<p><b>100% of Base Salary (for CEO) or 75% of Base Salary (for other NEOs)</b></p>	X	<p><b>Individual performance measure weighting</b> Performance can range from 0 to 0.4, with target performance of 0.2</p>	+	<p><b>Adjusted EBITDA performance measure 40% weighting</b> Performance can range from 0 to 0.8, with target performance of 0.4</p>	+	<p><b>Total Subscription Revenue performance measure 40% weighting</b> Performance can range from 0 to 0.8, with target performance of 0.4)</p>	=	<p><b>Annual Bonus Payout</b></p>
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Performance that over-achieves targeted levels will result in payouts above targeted levels. The total annual bonus is limited in the case of the CEO to two times his base salary and for the other NEOs to 1.5 times their respective base salaries. Our annual bonus program is administered by the Compensation Committee. Our Board of Directors reviewed and approved the bonus payouts on February 25, 2015.

The Compensation Committee applied the following principles and components in determining each NEO’s bonus payouts for fiscal 2014:

A. Individual Performance Measure

Individual performance was assessed on a discretionary basis by the Compensation Committee. In assessing performance, the Compensation Committee considered the NEO’s support of general corporate objectives as well as their individual contributions and performance. The individual performance measure accounted for up to 20% of the total annual bonus opportunity.

B. Adjusted EBITDA Performance Measure

The Adjusted EBITDA performance measure accounts for up to 40% of the total annual bonus opportunity. Adjusted EBITDA is defined as profit adjusted to exclude the impact of our formerly outstanding redeemable preferred shares, our equity compensation plans, income tax expense, depreciation, foreign exchange loss (gain) and net financing (income) expense. The targeted Adjusted EBITDA for a given year is established by the Board of Directors, upon recommendation from the Compensation Committee. In order to be eligible for a bonus for Fiscal 2014, the Company’s actual Adjusted EBITDA had to meet a minimum of 70% of the targeted Adjusted EBITDA. This component of the bonus then scales up based on the percentage of targeted Adjusted EBITDA actually achieved, with the maximum for this component being realized at 150% of targeted Adjusted EBITDA. The rate of scale-up accelerates once actual Adjusted EBITDA exceeds 100% of targeted Adjusted EBITDA.

C. Total Subscription Revenue Performance Measure

The Subscription Revenue performance measure accounts for up to 40% of the total annual bonus opportunity. “Subscription Revenue” refers to fixed term license fees for on-premise use of the Company’s RapidResponse® applications or fees for provision as software as a service (“SaaS”) in a hosted/cloud environment. The targeted Subscription Revenue is determined by the Board of Directors, upon recommendation from the Compensation Committee. In order for any bonus to be payable based on this measure for fiscal 2014, our actual Subscription Revenue had to meet a minimum of 95% of the targeted Subscription Revenue. This component of the bonus then scales up based on the percentage of targeted Subscription Revenue actually achieved, with the maximum for this component being realized at 105% of targeted Subscription Revenue. The rate of scale-up accelerates once actual Subscription Revenue exceeds 100% of targeted Subscription Revenue.

Target performance measures are intended to be difficult to achieve but attainable. Levels above target are intended to be “stretch” targets and to be very difficult to achieve.

Jeffrey Johnson has a 2014 sales incentive plan with a target commission of \$275,000, of which \$200,000 is based on product sales and the remainder is based on services business. Commissions are earned for in-term configuration expansion by customers and end-of-term configuration expansion on renewal, as well as for sales to new customers.

The Board maintains the discretion at all times to grant discretionary bonuses, including in the context of acquisitions, to modify, amend or terminate short-term incentive programs and/or to deviate from the plans or grant individual exceptions.

The targeted individual performance, Adjusted EBITDA and Subscription Revenue was exceeded for fiscal 2014.

The Company does not disclose specific Adjusted EBITDA or Subscription Revenue performance measure because it considers that the information would place it at a significant disadvantage if the targets became known. Disclosing such targets that are set as part of the Company's annual budget and strategic planning process would expose Kinaxis to serious prejudice and negatively impact its competitive advantage. In addition, we believe that disclosing the performance targets would be inconsistent with Kinaxis's policy of not providing annual or quarterly guidance to the market and limiting all other forward-looking information.

#### *Long-Term Incentive*

We believe that equity-based awards allow us to reward senior executive officers for their sustained contributions to us and align their interests with those of our long-term shareholders. We also believe that equity awards incentivize employee continuity and retention.

We have adopted stock option plans and, in conjunction with the closing of our IPO, a share unit plan (the "**Share Unit Plan**") to provide long-term equity incentives. Our Board of Directors believes that options to purchase Common Shares, and grants under the Share Unit Plan, provide management with a strong link to our long-term performance and the creation of shareholder value. The Compensation Committee determines the grant size and terms of awards for our NEOs to be recommended to our Board of Directors, taking into account, among other things, previous grants of options and other equity incentives.

We currently have options outstanding under a stock option plan established in 2012 (the "**Current Option Plan**") as well as options outstanding under a stock option plan established in 2000 (the "**2000 Plan**") and a stock option plan established in 2010 (the "**2010 Plan**" and collectively with the 2000 Plan, the "**Old Option Plans**"). As of the date hereof, 1,098,050 options are outstanding under the Current Option Plan and an aggregate of 1,148,575 options are outstanding under the Old Option Plans. Following adoption of the Current Option Plan, the Board ceased granting options under the Old Option Plans.

In conjunction with the closing of the Company's IPO, we established the Share Unit Plan. The Share Unit Plan will provide for the grant of share units ("**Share Units**"), consisting of restricted share units (or "**RSUs**"), performance share units (or "**PSUs**") and deferred share units (or "**DSUs**"). The maximum aggregate number of Common Shares issuable from treasury by Kinaxis pursuant to the Share Unit Plan is 750,000. This maximum number is subject to adjustment for changes in the number of Common Shares outstanding through subdivision, consolidation, reclassification, amalgamation, merger or otherwise. As of the date hereof, an aggregate of 148,333 RSUs, no PSUs and 9,000 DSUs are outstanding under the Share Unit Plan.

No award may be made to our insiders under the Current Option Plan or the Share Unit Plan if such award would result in: (i) the number of Common Shares issued from treasury to insiders (excluding Common Shares issued to insiders prior to the closing of the IPO) pursuant to such plans, together with all of our other share compensation arrangements, within any one year period, exceeding 10% of the outstanding Common Shares, or (ii) the number of Common Shares issuable to insiders pursuant to vested Share Units together with the number of Common Shares issuable to insiders at any time pursuant to options granted under the Old Option Plans and Current Option Plan and all of our other security-based compensation arrangements exceeding 10% of the outstanding Common Shares. When used in this paragraph, the terms "insiders" and "security-based compensation arrangement" have the meanings ascribed thereto in the TSX rules for this purpose. Securities issued pursuant to security-based compensation arrangements prior to the IPO are not be counted toward these thresholds.

## Current Option Plan

The Current Option Plan allows for the grant of incentive stock options to our employees, directors, officers and consultants. Our Board of Directors is responsible for administering the Current Option Plan, and the Compensation Committee makes recommendations to our Board of Directors in respect of matters relating to the Current Option Plan.

The aggregate number of Common Shares reserved for issuance under the Current Option Plan is 1,500,000. As of the date hereof, 1,098,050 Common Shares (representing 4% of the issued and outstanding Common Shares on a diluted basis) were subject to options granted under the Current Option Plan and 237,250 Common Shares (representing 1% of the issued and outstanding Common Shares on a diluted basis) were unallocated and available for future grants of options. An aggregate of 145,500 Common Shares were subject to options previously granted under the Current Option Plan but were surrendered in connection with certain share repurchase transaction executed in the fourth quarter of 2013. In accordance with the provisions of the Current Option Plan, these 145,500 Common Shares are no longer available for future grant. The Current Option Plan provides that the number of Common Shares reserved for issuance will increase on each one year anniversary of the date on which our Common Shares become listed on the TSX by the lesser of: (i) that number of Common Shares equal to 3% of the issued and outstanding Common Shares on the applicable anniversary date; and (ii) 900,000 Common Shares; provided that the aggregate number of Common Shares reserved for issue in respect of un-granted options after giving effect to such increase shall not exceed 8% of the issued and outstanding Common Shares on the applicable anniversary date. The Current Option Plan is considered a “rolling plan” for TSX purposes. Except for the insider participation limits described above, the Current Option Plan does not provide for a maximum number of Common Shares which may be issued to any single optionee pursuant to the Current Option Plan.

Unless otherwise determined by our Board of Directors, options granted under the Current Option Plan vest at a rate of 25% per year over four years at each anniversary of the date of the grant. Options granted under the Current Option Plan may be exercised during the period specified in the Current Option Plan, which is generally ten years from the date of grant. The Current Option Plan also provides that, unless otherwise determined by our Board of Directors, options generally terminate within 30 days following the termination of employment, directorship or engagement as a consultant with the Company or affiliated entities. The exercise price for options granted under the Current Option Plan is determined by our Board of Directors, but may not be less than the fair market value (as determined in accordance with the Current Option Plan) of our Common Shares.

If options granted under the Current Option Plan would otherwise expire during or immediately after a trading black-out period, the expiry date of the options will be extended to the tenth business day following the end of the black-out period.

Amendments to the Current Option Plan generally require the consent of the TSX and our shareholders given at a duly constituted meeting. However, the following amendments to the Current Option Plan may be made by our Board without TSX or other stock exchange approval and without shareholder approval:

- amendments of a technical, clerical or “housekeeping” nature, or to clarify any provision of the Current Option Plan, including without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Current Option Plan or to correct or supplement any provision of the Current Option Plan that is inconsistent with any other provision of the Current Option Plan;
- suspension or termination of the Current Option Plan;
- amendments to respond to changes in legislation, regulations, instruments, stock exchange rules or accounting or auditing requirements;
- amendments necessary to permit the grant of options to optionees who are resident outside of Canada or the U.S.;
- amendments respecting administration of the Current Option Plan;
- any amendment to the definition of “Consultant”, “Officer”, “Director” or “Employee” therein or otherwise relating to the eligibility of any service provider to receive an award under the Current Option Plan;

- changes to the vesting provisions for any outstanding option;
- changes to exercise methods and frequency;
- amendments to add a feature for financial assistance to optionees to facilitate the purchase of Common Shares;
- amendments to add a further or other cashless exercise features, payable in cash or securities, whether or not providing for a full deduction of the number of underlying Common Shares from the reserve;
- amendments to the termination provisions of the Current Option Plan or any outstanding option, provided no such amendment may result in an extension of any outstanding option held by an insider beyond its original expiry date;
- adjustments to reflect stock dividends, stock splits, reverse stock splits, share combinations or other alterations of the capital stock of Kinaxis;
- amendments to permit options granted under the Current Option Plan to be transferable or assignable for estate settlement purposes;
- amendments necessary to qualify any or all incentive stock options for such favourable federal income tax treatment (including deferral of taxation upon exercise) as may be afforded incentive stock options under Section 422 of the U.S. Internal Revenue Code, as amended; and
- any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

For greater certainty, shareholder approval shall be required for the following types of amendments of the Current Option Plan:

- amendments to the number of Common Shares issuable under the Current Option Plan, including an increase to a maximum percentage of Common Shares or a change from a maximum percentage of Common Shares to a fixed maximum number of Common Shares;
- amendments to the limitations on grants of Options to non-executive directors;
- amendments: (A) reducing the exercise price or purchase price of an option (which for such purpose shall include a cancellation of outstanding options and contemporaneous re-grant of options having a lower exercise price or purchase price), or (B) extending the term of an option granted to an insider;
- amendments to remove the “insider participation limit” or to exceed the “insider participation limit”;
- amendments to permit options to be transferable or assignable other than for estate settlement purposes;
- amendments to the amendment section of the Current Option Plan; and
- amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

The interests of any participant under the Current Option Plan or in any option are not transferable, subject to limited exceptions. Our Board of Directors has overall authority for interpreting, applying, amending and terminating the Current Option Plan, subject to the applicable requirements of the TSX.

#### Old Option Plans

Options were granted under the Old Option Plans to our employees, directors, officers and consultants. Our Board of Directors is responsible for administering the Old Option Plans, and the Compensation Committee makes recommendations to our Board of Directors in respect of matters relating to the Old Option Plans. Since June 27, 2012, no options have been granted or are permitted to be granted under the Old Option Plans. As of the date hereof, there are 122,923 Common Shares reserved for issuance upon exercise of outstanding options granted under the 2000 Plan and 1,025,652 Common Shares reserved for issuance upon exercise of outstanding options granted under the 2010 Plan.

All outstanding options granted under the 2000 Plan are vested and 799,947 options of the 1,025,652 outstanding options granted under the 2010 Plan are vested. All outstanding options granted under the 2000 Plan, to the extent not exercised, will expire on or before December 29, 2015. All outstanding options granted under the 2010 Plan, to the extent not exercised, will expire on or before June 4, 2022. The 2010 Plan provides that immediately prior to a Change in Control (as defined in the 2010 Plan), 50% of each unvested option will vest and become exercisable. In addition, if an optionee is terminated following a Change of Control without Cause (as defined in the 2010 Plan), all of his or her options will vest and become exercisable. The Old Option Plans also provide that, unless otherwise

determined by our Board of Directors, options terminate following the termination of employment, directorship or engagement as a consultant with us. The Old Option Plans were amended prior to the closing of our IPO to provide that if options granted under the Old Option Plans would otherwise expire during a trading black-out period or immediately after a trading black-out period, the expiry date of the options will be extended to the tenth business day following the end of the black-out period. Options granted under the Old Option Plans are not transferable, subject to limited exceptions. Our Board of Directors has overall authority for interpreting, applying, amending and terminating the Old Option Plans.

### Share Unit Plan

In conjunction with the closing of our IPO, our Board of Directors adopted the Share Unit Plan as part of our long-term incentive compensation arrangements available for our NEOs, other executive officers, key employees and non-employee directors. The Share Unit Plan will be administered by the Compensation Committee, and the Compensation Committee will make recommendations to the Board of Directors in relation to the Share Unit Plan and to awards of Share Units under the plan.

Whether Share Units are awarded as RSUs, PSUs or DSUs is determined by the Board of Directors or the Compensation Committee. RSUs vest based on the passage of time (generally in three annual increments), PSUs vest based on performance criteria as determined by the Board of Directors or Compensation Committee, and DSUs do not vest under any circumstances until the participant's termination of service.

Each vested Share Unit entitles the participant to receive, at our discretion, one Common Share or its cash equivalent.

Settlement of vested Share Units is effected by delivering Common Shares acquired in the open market and/or issued from treasury, or by making a cash payment equal to the number of Share Units multiplied by the volume weighted average trading price of the Common Shares on the TSX for the five trading days preceding the settlement date, or by a combination of these methods. The manner of settlement for RSUs and PSUs is elected by the Compensation Committee in its sole discretion. DSUs must be settled by issuing Common Shares to the participant, provided that the participant in its sole discretion may elect to receive payment in cash in lieu of Common Shares.

Generally, RSU and PSUs expire on the business day preceding December 31 of the third calendar year following the first year in which the participant rendered services in respect of the grant of the Share Units.

Awards granted to a participant that do not vest in accordance with the Share Unit Plan will be forfeited by the participant and cancelled without payment, and the participant will have no further right in such awards.

Holders of RSUs will be entitled to accelerated vesting on certain events, including termination of service by reason of death, disability, retirement, or in the case of RSUs granted to non-employee directors, any reason other than termination for breach of fiduciary duty. Any accelerated vesting of PSUs on termination of service will be determined by the Compensation Committee on the award of the PSUs and may vary depending on the specific nature of the performance-based vesting condition. All Share Units terminate if a Participant's employment or service terminates by reason of termination for Cause (as defined in the Share Unit Plan) or for breach of fiduciary duty.

The following table describes the impact of certain events upon the rights of holders of RSUs under the Share Unit Plan:

<u>Event</u>	<u>Provisions</u>
Termination without cause .....	Forfeiture of all unvested RSUs Earlier of 120 days after termination or December 31 of calendar year in which termination occurred to settle vested RSUs
Retirement .....	Immediate vesting of RSUs outstanding on date of event Vested RSUs to be settled as soon as practicable, and in any event, by no later than December 31
Death or disability .....	Immediate vesting of RSUs outstanding on date of event Earlier of 120 days after termination or December 31 of calendar year in which termination occurred to settle vested RSUs
Termination for cause or breach of fiduciary duty (non-employee director) .....	Forfeiture of all RSUs (both vested and unvested)
All other termination events (non-employee director).....	Immediate vesting of RSUs outstanding on date of event Earlier of 120 days after termination or December 31 of calendar year in which termination occurred to settle vested RSUs
All other termination events (participant that is not a non-employee director) .....	Forfeiture of all RSUs (both vested and unvested)

The following table describes the impact of certain events upon the rights of holders of PSUs and DSUs under the Share Unit Plan:

<u>Event</u>	<u>Provisions</u>
Termination for cause or breach of fiduciary duty .....	Forfeiture of all PSUs (both vested and unvested) and DSUs
All other termination events .....	Immediate vesting of PSUs as determined by the Board of Directors or the Compensation Committee at the date of grant and set forth in the participant's grant agreement Immediate vesting of DSUs outstanding on the date of event Earlier of 120 days after termination or December 31 of calendar year in which termination occurred to settle vested PSUs and DSUs

Awards granted to a participant that do not vest in accordance with the Share Unit Plan as described above will be forfeited by the participant and cancelled without payment, and the participant will have no further right in such awards.

Subject to obtaining any requisite approval from the TSX or other regulatory authority, our Board of Directors may take any one or more actions relating to Share Units including, without limitation, accelerating vesting, substituting similar securities of any acquirer for Share Units, providing for the continuation or assumption of Share Units by any acquirer, and/or other action as the Board deems fair and reasonable in the circumstances where a Corporate Event (as defined below) occurs. A "Corporate Event" is: (i) a merger, amalgamation, consolidation, reorganization or arrangement of Kinaxis with or into another corporation (other than a merger, amalgamation, consolidation, reorganization or arrangement of Kinaxis with one or more of its subsidiaries); (ii) the acquisition of all or substantially all of the outstanding Common Shares pursuant to a take-over bid; (iii) the sale of all or substantially all of the Kinaxis' assets; or (iv) any other acquisition of our business as determined by the Board of Directors.

## Benefits

The Company offers certain benefits to all of its employees, including its NEOs, covering health, life and accident insurance by means of group insurance plans. Some benefits increase in proportion with salary and scope of responsibilities. We have a RRSP/401K program that is open to all our U.S. and Canadian employees who have passed the probation period. Under this program, we provide a matching contribution based on a maximum of 3% of the employee's salary, capped at \$3,500 for U.S. employees and Cdn\$3,500 for Canadian employees.

## Compensation Risk Management

As part of their review of our executive compensation in the context of the IPO, our Board of Directors and the Compensation Committee considered the implications of the risks associated with our compensation policies and practices, including as to whether or not they could encourage an executive officer or an employee at a principal business unit or division to take inappropriate or excessive risks. Our Board of Directors and the Compensation Committee believe that the compensation structure for our fiscal year ended December 31, 2014, as well as compensation policies and practices for the fiscal year ending December 31, 2015, constitute a well-balanced mix of base salary, short-term incentive and long-term incentive, and apply maximums to short-term incentive payouts. Accordingly, our Board of Directors and the Compensation Committee have not, after consideration, identified any risk arising from our compensation policies and practices that is reasonably likely to have a material adverse effect on us.

## Performance Graph

**Given that the Company was not a reporting issuer in any jurisdiction in Canada for at least 12 calendar months before the end of its most recently completed financial year, the Company is not required to provide a graph comparing the Company's cumulative total shareholder return over the Company's five most recently completed financial years.**

## Summary Compensation Table

The following table sets out information concerning NEO compensation for the fiscal year ended December 31, 2014.

Name and principal position	Salary (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(4)</sup>	Total Compensation (\$)
				Annual incentive plans <sup>(3)</sup>	Long-term incentive plans			
Douglas Colbeth, Chairman, President and Chief Executive Officer	360,000	595,500	523,000	526,063	—	—	3,500	2,008,063
Richard Monkman, Chief Financial Officer	249,034 <sup>(5)</sup>	357,300	313,800	259,193	—	—	3,170	1,182,497
John Sicard, Chief Products Officer	271,674 <sup>(5)</sup>	—	313,800	282,757	—	—	3,170	871,401
Jeffrey Johnson, Executive Vice-President, Global Operations	275,004	—	313,800	269,013	—	—	3,500	861,317

- (1) Represent a grant of 50,000 RSUs and 30,000 RSUs made to Mr. Colbeth and Mr. Monkman, respectively, on May 30, 2014. Assumes an award date fair value per RSU equal to \$11.91. See "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Long-Term Equity Incentives". Each vested RSU entitles the participant to receive, at our discretion, one Common Share or its cash equivalent.
- (2) Represents the value of options granted to the NEOs. The fair value of each option was determined on the date of grant using a Black-Scholes option pricing model. In the pricing model the following parameters were used for the year ending December 31, 2014: (i) a weighted average risk free interest rate of 1.98%; (ii) weighted average volatility of 46%; (iii) and dividends of nil. These amounts are not necessarily reflective of actual amounts that may be realized on exercise.
- (3) Represents amounts earned during the year ended December 31, 2014 pursuant to the Company's annual bonus plan and, in the case of Mr. Johnson, the 2014 sales incentive plan. A total of \$116,906 of the earned amount of the annual incentive plan had been paid out as of December 31, 2014. The remainder will be paid in 2015 per the terms of the bonus incentive plans.

- (4) Represents our match for employee RRSP/401K contribution. This program is open to all our U.S. and Canadian employees who have passed the probation period, and the match is based on a maximum of 3% of the employee's salary, capped at \$3,500 for U.S. employees and Cdn\$3,500 for Canadian employees.
- (5) Amounts are payable in Cdn\$, and amounts in the table are based on a conversion rate of Cdn\$1.00 to U.S. \$0.9055, being the average monthly exchange rate from January 1, 2014 to December 31, 2014. This is the exchange rate calculation methodology used by the Company's External Reporting Team.

### ***Outstanding Share-based Awards and Option-based Awards***

The following table sets out, for each of the NEOs, information concerning all option-based and share-based awards outstanding as of December 31, 2014. Amounts are stated in U.S. dollars unless otherwise indicated.

Name	Option-based Awards				Share-based Award		
	Number of securities underlying unexercised options(#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(2)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Douglas Colbeth	100,000	9.75	29-Jan-24	616,124	23,333	371,257	—
Richard Monkman	95,000	1.00	3-Oct-15	1,416,568	20,000	318,225	—
	40,000	3.20	31-Jan-22	508,450			
	25,000	3.20	12-Feb-23	317,781			
	60,000	9.75	29-Jan-24	369,674			
John Sicard	211,100	1.60	19-Jul-21	3,021,103	—	—	—
	60,000	9.75	29-Jan-24	369,674	—	—	—
Jeffrey Johnson	250,000	3.20	7-May-22	3,177,810	—	—	—
	60,000	9.75	29-Jan-24	369,674	—	—	—

(1) The value of unexercised in-the-money options is calculated based on the difference between the strike price of the option and the closing market price of the Company's Common Shares on December 31, 2014, being Cdn\$18.50 per share, converted to United States dollars based on a conversion rate of Cdn\$1.00 to US\$0.8600, being the exchange rate reported by Oanda Corporation of one Canadian dollar into U.S. dollars on December 31, 2014.

(2) The market or payout value of share-based awards that have not vested is calculated based on the closing market price of the Company's Common Shares on December 31, 2014, being Cdn\$18.50 per share, converted to United States dollars based on a conversion rate of Cdn\$1.00 to US\$0.8600, being the exchange rate reported by Oanda Corporation of one Canadian dollar into U.S. dollars on December 31, 2014. The method of settlement of these share-based awards in cash or shares is at the sole discretion of the board of directors.

### *Value Vested or Earned During the Year*

The following table indicates, for each of the NEOs, a summary of the value of option-based and share-based awards vested or of non-equity incentive plan compensation during the fiscal year ended December 31, 2014.

<b>Name</b>	<b>Option-based awards — Value vested during the year ended December 31, 2014<sup>(1)</sup> (\$)</b>	<b>Share-based awards — Value vested during the year ended December 31, 2014<sup>(2)</sup> (\$)</b>	<b>Non-equity incentive plan compensation — Value earned during the year ended December 31, 2014<sup>(3)</sup> (\$)</b>
Douglas Colbeth	—	270,830	526,063
Richard Monkman <sup>(4)</sup>	154,026	162,495	259,193
John Sicard <sup>(4)</sup>	1,299,532	—	282,757
Jeffrey Johnson	744,822	—	269,013

(1) The value of the vested option-based awards is calculated based on the closing market price of the Company's Common Shares on the date the options vested, converted to United States dollars based on the exchange rate reported by Oanda Corporation of one Canadian dollar into U.S. dollars on the vesting date. The amounts represent the difference between the exercise price of the options and the closing market price of the Company's Common Shares on the vesting date, converted into U.S. dollars.

(2) The value of the vested share-based awards is calculated based on the closing market price of the Company's Common Shares on the vesting date converted to United States dollars based on the exchange rate reported by Oanda Corporation of one Canadian dollar into U.S. dollars on the vesting date. The amounts represent the number of vested share-based awards multiplied by the closing market price of the Company's Common Shares on the vesting date, converted into U.S. dollars. The method of settlement of these share-based awards in cash or shares is at the sole discretion of the board of directors.

(3) Represents amounts earned during the year ended December 31, 2014 pursuant to the Company's annual bonus plan and, in the case of Mr. Johnson, the 2014 sales incentive plan. A total of \$116,906 of the earned amount of the annual incentive plan had been paid out as of December 31, 2014. The remainder will be paid in 2015 per the terms of the bonus incentive plans.

(4) Amounts are payable in Cdn\$, and amounts in the table are based on a conversion rate of Cdn\$1.00 to U.S. \$0.9055, being the average monthly exchange rate from January 1, 2014 to December 31, 2014. This is the exchange rate calculation methodology used by the Company's External Reporting Team.

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

Each of our Named Executive Officers has entered into an employment agreement with us. Those employment agreements include provisions regarding base salary, annual bonuses, eligibility for long-term equity incentives, eligibility for benefits, confidentiality and ownership of intellectual property, among other things. Each employment agreement includes non-competition covenants with terms of 18 months following termination of employment for any reason and by employer or employee, including but not limited to retirement or a Change of Control leading to termination of employment or resignation for good reason ("**Termination of Employment**").

The following is a description of entitlements that would be received by each NEO, as of December 31, 2014, in the event of a Termination of Employment or a Change in Control, as set out in their respective employment agreements.

*Termination for Cause:* If a NEO is terminated for "Cause" (as defined in his employment agreement), he is entitled to receive: (i) any earned or accrued base salary and accrued but unused vacation time through to the date of termination; (ii) reimbursement for any approved expenses through to the date of termination; and (iii) benefits accrued to the date of termination. The entitlements in clauses (i), (ii) and (iii) are referred to as "**Basic Accrued Amounts**". On a termination for cause, the NEO's options granted under the Current Option Plan and the 2010 Plan are forfeited and cease to be exercisable to any extent whatsoever. For options granted under the 2000 Plan, the NEO will have the standard 30-day post-service exercise period from the date of termination to exercise his vested options. If the NEO holds Share Units, on termination for cause his outstanding Share Units credited to his account will be forfeited, regardless of whether or not they have vested on the date of termination.

*Resignation:* Upon a resignation, each NEO is entitled to receive his Basic Accrued Amounts. Each of the NEOs is required to give 90 days of prior written notice of resignation. We may decide to pay out the 90 day notice period instead of requiring working notice. Upon a resignation, the NEO's options cease to vest and the NEO will have the

standard 30-day post-service exercise period from the date of termination to exercise his vested options. If the NEO holds RSUs, on resignation his outstanding RSUs credited to his account will be forfeited, regardless of whether or not they have vested on the date of termination. If the NEO holds PSUs on resignation, the vesting of such PSUs will be as determined by the Board at the time of grant, in its sole discretion, and vested PSUs will be subject to payout. If the NEO holds DSUs, all DSUs shall immediately vest and the holder will be entitled to payment.

*Termination Without Cause or For Good Reason (Without a Change of Control):* If a NEO is terminated without Cause or terminates his own employment “for Good Reason” (as defined in his employment agreement) without a “Change of Control” (as defined in his employment agreement), he will be entitled to: (i) his Basic Accrued Amounts; (ii) payment of 18 months base salary; (iii) up to 18 months of benefits continuance (except for Mr. Johnson who is not entitled to benefits continuance); and (iv) a pro-rated payment correlated to his annual bonus entitlement. In the case of the payment correlated to annual bonus entitlements, Mr. Colbeth, Mr. Monkman and Mr. Sicard will be entitled to an amount equal to 125% of their base salary, and Mr. Johnson will be entitled to payment of a pro-rated amount of his incentive bonus (at goal target). The NEO’s options will cease to vest and the NEO will have the standard 30-day post-service exercise period from the date of termination to exercise his vested options. If the NEO holds any RSUs, on termination his outstanding RSUs which have not vested will be forfeited. All vested RSUs will be subject to payout. If the NEO holds PSUs on resignation, the vesting of such PSUs will be as determined by the Board at the time of grant, in its sole discretion, and vested PSUs will be subject to payout. If the NEO holds DSUs, all DSUs shall immediately vest and the holder will be entitled to payment.

*Termination Without Cause or For Good Reason (After a Change of Control):* If a NEO is terminated without Cause or terminates his own employment for Good Reason (as defined his employment agreement) after a Change of Control, his entitlements with respect to Basic Accrued Amounts, 18 months of base salary, benefits continuance and payments correlated to annual bonus entitlements are the same as those for a termination without Cause or for Good Reason without a Change of Control, as summarized above. All options held by the NEO will immediately vest, and the NEO will have 180 days (30 days in the case of Mr. Johnson) from the date of notice of termination to exercise his vested options. If the NEO holds any RSUs, on termination his outstanding RSUs which have not vested will be forfeited. All vested RSUs will be subject to payout. If the NEO holds PSUs on resignation, the vesting of such PSUs will be as determined by the Board at the time of grant, in its sole discretion, and vested PSUs will be subject to payout. If the NEO holds DSUs, all DSUs shall immediately vest and the holder will be entitled to payment. Under his employment agreement, Mr. Colbeth may elect to self-terminate his employment within 45 days after the closing of a transaction that gives rise to a Change of Control, and in such event his entitlements will be as set forth in this paragraph.

*Disability.* If a NEO is terminated by reason of disability (as defined in his employment agreement), he will be entitled to: (i) his Basic Accrued Amounts; and (ii) salary continuance equal to 18 months base salary, less any disability benefits received (except for Mr. Johnson who is not entitled to salary continuance). Mr. Colbeth, Monkman and Sicard will also be entitled to a payment correlated to their annual bonus entitlement in an amount equal to 50% of their base salary pro-rated for completed months worked during the year. The NEO’s options cease to vest and the NEO will have 180-day post-service exercise period from the date of termination to exercise his vested options. If the NEO holds RSUs or DSUs, all of his outstanding RSUs and DSUs will immediately vest and be subject to payout. If the NEO holds PSUs, the vesting of such PSUs will be as determined by the Board at the time of grant, in its sole discretion, and vested PSUs will be subject to payout.

*Treatment of Options, RSUs and PSUs Upon a Change in Control*

Under the terms of the Current Option Plan and the Stock Unit Plan, the Board has the discretion to accelerate the vesting of options or RSUs and PSUs, as applicable, in connection with a Change in Control (as defined in such plans).

Under the terms of the 2010 Plan, immediately prior to a Change in Control (as defined in the 2010 Plan), 50% of each unvested option will vest and become exercisable. In addition, if an NEO is terminated following a Change of Control without Cause (as defined in the 2010 Plan), all of his or her options under the 2010 Plan will vest and become exercisable.

Options are not affected by a change of employment or office or consulting arrangement within or among Kinaxis and its subsidiaries for so long as the NEO continues to be a consultant, officer, director or employee of Kinaxis or one of its subsidiaries.

The following table sets out the incremental payments that would be made to our NEOs assuming a termination event took place on December 31, 2014.

<b>Name</b>	<b>Event</b>	<b>Severance (\$)</b>	<b>RSUs (\$)</b>	<b>PSUs (\$)</b>	<b>Options (\$)</b>	<b>Other Payments (\$)<sup>(1)</sup></b>	<b>Total (\$)</b>
Douglas Colbeth, Chairman, President and Chief Executive Officer	Termination for Cause	—	—	—	—	—	—
	Resignation	—	—	—	—	—	—
	Termination Without Cause or For Good Reason (Without a Change of Control)	1,018,572	—	—	—	—	1,018,572
	Termination Without Cause or For Good Reason (After a Change of Control)	1,018,572	—	—	616,124	—	1,634,696
	Disability	720,000	—	—	—	—	720,000
Richard Monkman, Chief Financial Officer	Termination for Cause	—	—	—	1,416,568	—	1,416,568
	Resignation	—	—	—	1,845,572	—	1,845,572
	Termination Without Cause or For Good Reason (Without a Change of Control)	661,560	—	—	1,845,572	—	2,507,132
	Termination Without Cause or For Good Reason (After a Change of Control)	661,560	—	—	2,612,473	—	3,274,033

	Disability	472,996	—	—	1,845,572	—	2,318,568
John Sicard, Chief Products Officer	Termination for Cause	—	—	—	—	—	—
	Resignation	—	—	—	1,813,592	—	1,813,592
	Termination Without Cause or For Good Reason (Without a Change of Control)	720,647	—	—	1,813,592	—	2,534,239
	Termination Without Cause or For Good Reason (After a Change of Control)	720,647	—	—	3,390,777	—	4,111,424
	Disability	515,996	—	—	1,813,592	—	2,329,588
Jeffrey Johnson, Executive Vice-President, Global Operations	Termination for Cause	—	—	—	—	—	—
	Resignation	—	—	—	1,866,925	—	1,866,925
	Termination Without Cause or For Good Reason (Without a Change of Control)	687,506	—	—	1,866,925	—	2,554,431
	Termination Without Cause or For Good Reason (After a Change of Control)	687,506	—	—	3,547,485	—	4,234,991
	Disability	—	—	—	1,866,925	—	1,866,925

## DIRECTOR COMPENSATION

The Compensation Committee reviews directors' compensation periodically. In determining directors' remuneration, the Compensation Committee reviews compensation practices for directors of other public companies and from time to time makes recommendations to the Board of Directors regarding director compensation. Our directors' compensation program is designed to attract and retain qualified individuals to serve on our Board of Directors. Our Board of Directors has accordingly developed a fee schedule for service as a non-employee director.

Douglas Colbeth has not been and is not entitled to any compensation as a director. The other directors of the Company are entitled to be paid as members of the Board of Directors, and, if applicable, as members of any committee of the Board of Directors, the following annual retainers:

### *Annual Retainer*

Lead Director	
Cash Retainer .....	Cdn\$35,000
Member of the Board	
Cash Retainer .....	Cdn\$30,000

### *Committee Chair Retainer*

Chair of Audit Committee .....	Cdn\$10,000
Chair of Compensation Committee .....	Cdn\$10,000
Chair of Nominating and Corporate Governance Committee .....	Cdn\$10,000

### *Additional Committee Member Retainer*

Member of Audit Committee .....	Cdn\$5,000
Member of Compensation Committee .....	Cdn\$5,000
Member of Nominating and Corporate Governance Committee .....	Cdn\$5,000

Directors are entitled to be reimbursed for reasonable travel and other expenses incurred by them in carrying out their duties as directors.

Directors are eligible to participate in our Stock Option Plan and Share Unit Plan. Prior to the closing of the Company's IPO, our policy was to grant options to independent directors under the Stock Option Plan. As a group, our independent directors currently hold unexercised options to purchase an aggregate 233,000 Common Shares at prices ranging from \$1.00 to \$9.75. The options granted to independent directors fully accelerate on a Change of Control transaction. After the filing of the IPO, long-term director compensation has shifted to grants of DSUs under the Share Unit Plan and all independent directors will be considered for grants of equity incentives.

### Director Compensation Table

The following table sets out information concerning director compensation (other than our Chairman, President and CEO) for the year ended December 31, 2014.

Name and principal position	Fees earned (\$) <sup>(2)</sup>	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
				Annual incentive plans	Long-term incentive plans			
Marc Balevi <sup>(3)</sup>	15,848	—	—	—	—	—	—	15,848
John (Ian) Giffen	45,279	—	52,300	—	—	—	—	97,579
Howard Gwin	45,279	—	52,300	—	—	—	—	97,579
Ronald Matricaria <sup>(5)</sup>	37,038	—	313,200	—	—	—	—	350,238
Robert Wadsworth <sup>(4)</sup>	18,489	—	—	—	—	—	—	18,489

(1) Represents the value of options granted to the directors. The fair value of each option was determined on the date of grant using a Black-Scholes option pricing model. In the pricing model the following parameters were used for the year ending December 31, 2014: (i) a weighted average risk free interest rate of 1.98%; (ii) weighted average volatility of 46%; and (iii) dividends of nil. These amounts are not necessarily reflective of actual amounts that may be realized on exercise.

(2) Fees earned are payable in Cdn\$, and amounts in the table are based on a conversion rate of US\$1.00 to Cdn\$1.1042, being the average monthly exchange rate from January 1, 2014 to December 31, 2014. This is the exchange rate calculation methodology used by the Company's External Reporting Team. A total of \$133,625 of the fees earned was paid out as of December 31, 2014. The remainder will be paid out in 2015.

(3) Mr. Balevi did not receive any compensation relating prior to the IPO in June 2014.

(4) Mr. Wadsworth did not receive any compensation relating prior to the IPO in June 2014.

(5) Mr. Matricaria was appointed to the Board of Directors on January 29<sup>th</sup> 2014.

## Director Incentive Plan Awards

### *Outstanding Share-based Awards and Option-based Awards*

The following table indicates, for each of the directors (other than our Chairman, President and CEO), all awards outstanding as of December 31, 2014.

Name	Option-based Awards				Share-based Award		
	Number of securities underlying unexercised options(#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) <sup>(2)</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Marc Balevi	—	—	—	—	—	—	—
John (Ian) Giffen	60,000	1.20	20-Jul-20	882,674	—	—	—
	10,000	1.60	19-Jul-21	143,112	—	—	—
	10,000	3.20	31-Jan-22	127,112	—	—	—
	10,000	3.20	29-Jan-23	127,112	—	—	—
	10,000	9.75	29-Jan-24	61,612	—	—	—
Howard Gwin	23,000	1.00	29-Dec-15	342,959	—	—	—
	10,000	1.20	20-Jul-20	147,112	—	—	—
	10,000	1.60	19-Jul-21	143,112	—	—	—
	10,000	3.20	31-Jan-22	127,112	—	—	—
	10,000	3.20	29-Jan-23	127,112	—	—	—
	10,000	9.75	29-Jan-24	61,612	—	—	—
Ronald Matricaria	60,000	9.75	26-Feb-26	369,674	—	—	—
Robert Wadsworth	—	—	—	—	—	—	—

(1) The value of unexercised in-the-money options is calculated based on the closing market price of the Company's Common Shares on December 31, 2014, being Cdn\$18.50 per share, converted to United States dollars based on a conversion rate of Cdn\$1.00 to US\$0.8600, being the exchange rate reported by Oanda Corporation of one Canadian dollar into U.S. dollars on December 31, 2014.

### *Incentive Plan Awards – Value Vested or Earned During the Year*

The following table indicates, for each of the directors (other than our Chairman, President and CEO), a summary of the value of option-based and share-based awards vested or of non-equity incentive plan compensation for the year ended December 31, 2014.

Name	Option-based awards — Value vested during the year ended December 31, 2014 <sup>(1)</sup> (\$)	Share-based awards — Value vested during the year ended December 31, 2014 <sup>(2)</sup> (\$)	Non-equity incentive plan compensation — Value earned during the year ended December 31, 2014 (\$)
Marc Balevi	—	—	—
John (Ian) Giffen	203,215	—	—
Howard Gwin	96,838	—	—
Ronald Matricaria	—	—	—
Robert Wadsworth	—	—	—

(1) The value of the vested option-based awards is calculated based on the closing market price of the Company's Common Shares on the date the options vested, converted to United States dollars based on the exchange rate reported by Oanda Corporation of one Canadian dollar into U.S. dollars on the vesting date. The amounts represent the difference between the exercise price of the options and the closing market price of the Company's Common Shares on the vesting date, converted into U.S. dollars.

## Indemnification and Insurance

Directors and officers participate in our director and officer insurance program. In addition, we have entered into indemnification agreements with our directors and officers. The indemnification agreements generally require that we indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to us as directors and officers, if the indemnitees acted honestly and in good faith and in a manner the indemnitee reasonably believed to be in our best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, if the indemnitee had reasonable grounds to believe that his or her conduct was lawful. The indemnification agreements will also provide for the advancement of defence expenses to the indemnitees by us.

## EQUITY COMPENSATION PLAN INFORMATION

The following table shows the total number of Common Shares to be issued upon the exercise of outstanding Options and the vesting of outstanding RSUs (assuming all RSUs are settled through the issuance of Common Shares from treasury) under all of Kinaxis' equity-based compensation plans, their weighted average exercise price, and the number of Common Shares available for future issuance as of December 31, 2014.

Plan Category	Number of Common Shares to be issued upon the exercise of outstanding options, warrants and rights (#)	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding shares issuable under outstanding options, warrants and rights) (#)
Equity compensation plans approved by securityholders	options: 2,170,802 RSUs: 53,333	options: \$5.74 RSUs: N/A	options: 384,250 <sup>(1)</sup> RSUs: 670,000

(1) The Current Option Plan provides that the number of Common Shares reserved for issuance will increase on each one year anniversary of the date on which our Common Shares become listed on the TSX (being June 10, 2014) by the lesser of: (i) that number of Common Shares equal to 3% of the issued and outstanding Common Shares on the applicable anniversary date; and (ii) 900,000 Common Shares; provided that the aggregate number of Common Shares reserved for issue in respect of un-granted options after giving effect to such increase shall not exceed 8% of the issued and outstanding Common Shares on the applicable anniversary date.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To our knowledge, no director, executive officer or any of their respective associates or affiliates, has any material interest, either direct or indirect, in any transaction within the three years prior to the date of this Management

Information Circular, or any proposed transaction, that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

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

As of May 6, 2015, none of our directors, executive officers, employees, former directors, former executive officers or former employees, and none of their associates, is indebted to us or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or similar agreement or understanding provided by us, except for routine indebtedness as defined under applicable securities legislation.

## **CORPORATE GOVERNANCE**

The Canadian Securities Administrators have issued corporate governance guidelines pursuant to National Policy 58-201 (“**NP 58-201**”) together with certain related disclosure requirements pursuant to NI 58-101. The corporate governance guidelines set forth in NP 58-201 are recommended as “best practices” for issuers to follow. Kinaxis recognizes that good corporate governance plays an important role in its overall success and in enhancing shareholder value and, accordingly, has adopted certain corporate governance policies and practices which are reflective of the recommended corporate governance guidelines.

Set out below is the disclosure required by NI 58-101 which describes Kinaxis’ approach to corporate governance in relation to the corporate governance guidelines set forth in NP 58-201.

### **Board of Directors**

#### ***Overview***

Our articles provide for a minimum of three and a maximum of ten directors. The articles also provide that the Board of Directors has the power to set the number of directors within the minimum and maximum number. In addition, in accordance with the *Canada Business Corporations Act*, the Board of Directors may appoint one or more additional directors who shall hold office until the close of the next annual meeting of shareholders, provided that the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.

Our Board of Directors is currently comprised of six directors: Douglas Colbeth, Robert Wadsworth, Marc Balevi, John (Ian) Giffen, Howard Gwin and Ronald Matricaria. Certain members of our Board of Directors are also members of the board of directors of other public companies. See “*Proposed Nominees for Election as Directors – Information on Proposed Nominees*”.

Our Board of Directors is responsible for supervising the management of our business and affairs. Our Board has adopted a formal mandate setting out its stewardship responsibilities, including its responsibilities for the appointment of management, management of our Board, strategic and business planning, monitoring of financial performance, financial reporting, risk management and oversight of our policies and procedures, communications and reporting and compliance. A copy of the mandate of our Board of Directors is attached as Appendix A to this Management Information Circular.

Our Board of Directors has established an Audit Committee, a Compensation Committee and a Nominating and Governance Committee and has approved charters for each of these committees, which are described below. Our Board of Directors has delegated to the applicable committee those duties and responsibilities set out in each committee’s charter. The mandate of our Board, as well as the charters of the various Board committees, set out in writing the responsibilities of our Board of Directors and the Committees for supervising the Chief Executive Officer.

Our Board of Directors has also approved written position descriptions for our independent lead director, the chair of each of our Board’s committees and our Chief Executive Officer.

## ***Independence***

Three of the six members of our Board of Directors are independent, being Messrs. John (Ian) Giffen, Howard Gwin and Ronald Matricaria, as that term is defined in NI 58-101. Pursuant to NI 58-101, a director is independent for the purposes of NI 58-101 if he or she has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of our Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. Certain relationships are deemed to be material relationships for these purposes. Douglas Colbeth is not independent for the purposes of NI 58-101 because he is an executive officer of Kinaxis. Our Board has determined that both Marc Balevi and Robert Wadsworth are not independent for the purposes of NI 58-101 because of their relationships with HarbourVest International Private Equity Partners III – Direct Fund L.P. and TechnoCap I, L.P., respectively, which are two of our principal shareholders. See “*Proxy Matters and Voting Information – Principal Shareholders*”. Should such shareholders divest a sufficient portion of the Common Shares, the Board may determine that Mr. Balevi and Mr. Wadsworth are independent.

Douglas Colbeth is the Chair of our Board of Directors. As Douglas Colbeth is not considered independent for purposes of NI 58-101, our Board has appointed John (Ian) Giffen, an independent director, to act as lead director in order to ensure that our Board will successfully carry out its duties and to foster appropriate oversight of management and strong governance practices.

Although we do not have a majority of independent directors, our Board delegates a number of responsibilities to the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. The Audit Committee and the Nominating and Governance Committee are comprised solely of independent directors, and the Compensation Committee is comprised of a majority independent directors. In addition, where potential conflicts arise during a director’s tenure on the Board, such conflicts are expected to be immediately disclosed to the Board.

We have taken steps to ensure that adequate structures and processes are in place to permit our Board of Directors to function independently of our management. Our Board of Directors holds regularly scheduled quarterly meetings as well as ad hoc meetings from time to time. In the course of meetings of the Board of Directors or committees of the Board, the independent directors hold *in camera* sessions at which neither non-independent directors nor officers of Kinaxis are in attendance.

## ***Outside Directorships***

The following directors of Kinaxis are also directors of other reporting issuers (or the equivalent) in Canada or a foreign jurisdiction.

<u>Name of Director</u>	<u>Name of Reporting Issuer and Exchange</u>
John (Ian) Giffen .....	Absolute Software Corporation (TSX)
Ronald Matricaria.....	Orthofix International N.V. (NASDAQ)

## ***Orientation and Continuing Education***

Our Chief Executive Officer, independent lead director and Nominating and Governance Committee are responsible for providing new directors with an orientation program to explain, among other things, our business, our financial situation, our strategic planning and our approach to corporate governance. New directors are given the opportunity to become familiar with the Corporation by meeting with other directors as well as officers and employees of the Corporation and all directors are allowed access to management personnel to discuss matters of interest. All new directors are provided with copies of our written charters and corporate policies. Our Chief Executive Officer is responsible for generating continuing education opportunities that are relevant to their role as directors. Management periodically makes presentations to the directors on various topics, trends and issues related to our activities during meetings of our Board or its committees, which are intended to help the directors to constantly improve their knowledge about Kinaxis and our business. In addition, our directors maintain the skill and knowledge necessary to fulfill their obligations from a variety of outside advisors as new issues or opportunities arise, including with respect to corporate governance matters.

## ***Director Term Limits and Other Mechanism of Board Renewal***

While the Corporation does not have a mandatory retirement policy or term limit for directors, under its mandate, the Nominating and Governance Committee considers the terms of individual directors as part of the process by which it recommends the nominees for election at each annual meeting of Shareholders. Board renewal is considered in the context of determining the needs of the Board of Directors in the long term, and achieving a balance between the need for depth of institutional memory from directors on the one hand and the need for renewal and new perspectives on the other. As a result, our Board of Directors has not adopted a mandatory retirement policy or term limits for directors. The Board believes that mandatory retirement and term limits may result in the loss of effective directors with deep knowledge of the Corporation. Within that context, the Nominating and Governance Committee is working on the development of a skills matrix to be used in determining the needs of the Board of Directors, as well as on the implementation of a diversity and inclusion policy to encourage and foster different perspectives.

### ***Diversity and Inclusion***

The Board of Directors is in the process of developing a written policy relating to the identification and nomination of women directors. The Board has determined that the policy will also extend to other underrepresented groups. Pending development of the policy, the Nominating and Governance Committee, which is responsible for recommending director nominees to the Board of Directors, considers candidates based on their balance of skills, background, experience and knowledge. This includes diversity and inclusion considerations such as gender, age and ethnicity, with a view to ensuring that the Board benefits from a broad range of perspectives and experiences. The Nominating and Governance committee is also developing a skills matrix to help determine qualifications to prioritize in candidates, and to assist Board of Directors in identifying the highest quality candidates for the Board.

As the Nominating and Governance Committee is in the process of developing a formal written diversity and inclusion policy, it has not adopted a target regarding the number of women on the Board of Directors. While today none (zero percent) of the Corporation's directors are women, the Board of Directors does expect more diversity on the Board of Directors over time as the steps outlined above implemented.

With respect to executive roles, the Corporation is sensitive to the value of having representation of women, as well as other underrepresented groups. Disclosure rules define an "executive officer" to include a vice-president in charge of a principal business unit, division or function, or a person performing a policy-making function for the issuer. Based on this limited definition, the Corporation only has four executive officers. As a result, none (zero percent) of the Corporation's "executive officers" are women. However, the Corporation has a strong group of non-executive officers. Two of this group – Megan Paterson, our V.P., Human Resources, and Kirsten Watson, our V.P., Corporate Marketing – are women. Both are integral to our organization. In summary, 13% of our non-executive officers are women. Deeper within our organization, approximately 25% (shortly to grow to 30% based on accepted offers of employment) of our employees in managerial roles are women. The Corporation has not adopted a target regarding the number of women in executive officer positions, as the Board and management are confident that women will continue to progress in our organization over time.

### ***Code of Conduct***

Our Board of Directors has adopted a written Code of Business Conduct and Ethics (the "Code") that applies to directors, officers and employees. The objective of the Code is to provide guidelines for enhancing our reputation for honesty, integrity and the faithful performance of undertakings and obligations. The Code addresses conflicts of interest, insider trading, use of company assets, confidentiality, health and safety, record-keeping, competition and fair dealing and compliance with laws. As part of our Code, any person subject to the Code is required to avoid any activity, interest (financial or otherwise) or relationship that would create or appear to create a conflict of interest.

Our directors are responsible for monitoring compliance with the Code, for regularly assessing its adequacy, for interpreting the Code in any particular situation and for approving changes to the Code from time to time.

Directors and executive officers are required by applicable law and our corporate governance practices and policies to promptly disclose any potential conflict of interest that may arise. If a director or executive officer has a material interest in an agreement or transaction, applicable law and principles of sound corporate governance require them to declare the interest in writing and where required by applicable law, to abstain from voting with respect to such agreement or transaction.

A copy of the Code may be obtained by contacting us and is available for review under our profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### ***Assessments***

The Nominating and Governance Committee is responsible for assessing the effectiveness of the Board as a whole, each committee of the Board, and the contribution of each individual director. Having completed its initial public offering less than one year ago, the Corporation does not have a history of formal Board assessments. However, the Nominating and Governance Committee intends to implement a Board assessment mechanism in due course after considering factors such as the scope of the assessment mechanism and the appropriate timing in terms of implementation and frequency.

### **Audit Committee**

#### ***Composition of Audit Committee***

The Audit Committee currently consists of John (Ian) Giffen (Chair), Howard Gwin, and Ronald Matricaria. Each of the members of the Audit Committee is considered “independent” and “financially literate” within the meaning of National Instrument 52-110 - *Audit Committees* (“**NI 52-110**”).

For the purposes of NI 52-110, 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 issuer’s financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. The education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee can be found under the heading “*Proposed Nominees for Election as Directors – Information on Proposed Nominees*”.

Our Board of Directors has adopted a written charter for the Audit Committee. The mandate of the Audit Committee is to assist our Board in fulfilling its financial oversight obligations, including the responsibility: (1) to oversee the integrity of our financial statements and financial reporting process, including the audit process and our internal accounting controls and procedures and compliance with related legal and regulatory requirements; (2) to oversee the qualifications and independence of our external auditor; (3) to oversee the work of our financial management and external auditor; and (4) to provide an open avenue of communication between the external auditors, our Board and our management.

A copy of the charter of the Audit Committee is attached as Appendix B to this Management Information Circular.

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

Under its charter, the Audit Committee is required to pre-approve all non-audit services to be performed by the external auditors in relation to us, together with approval of the engagement letter for such non-audit services and estimated fees thereof. The pre-approval process for non-audit services will also involve a consideration of the potential impact of such services on the independence of the external auditors.

### ***Auditor Fees***

Fees billed by KPMG LLP to us in the years ended December 31, 2014 and December 31, 2013 were approximately \$741,000 and 67,000, respectively, as detailed below.

	<b>Year ended December 31, 2014</b>	<b>Year ended December 31, 2013</b>
Audit fees .....	\$732,000	\$ 61,000
Audit-related fees .....	58,000	6,000
Tax fees .....	—	—
All other fees .....	—	—
Fees reimbursed by shareholders .....	(49,000)	—
Total .....	<u>\$ 741,000</u>	<u>\$ 67,000</u>

*Audit fees* – Fees billed by KPMG LLP were for professional services rendered for the audit of our financial statements.

*Audit-related fees* – Fees billed by KPMG LLP were for audit related fees outside of the annual audit.

*Fees reimbursed by shareholders* – Fees billed by KPMG LLP were \$35,000 for audit fees and \$14,000 for audit related fees relating to the secondary offering. These fees were reimbursed to the Company by HV III and TechnoCap.

### **Compensation Committee**

Our Compensation Committee consists of three directors, two of whom are considered to be “independent” as that term is defined in NI 58-101. The independent members of the Compensation Committee are Ronald Matricaria (Chair) and Howard Gwin, and the non-independent director is Robert Wadsworth. As set out under “*Proposed Nominees for Election as Directors – Information on Proposed Nominees*”, Mr. Matricaria has extensive experience as an executive officer and director of both public and private companies, which is relevant to his responsibilities as Chair of our Compensation Committee. Mr. Gwin’s extensive experience as a consultant to, and executive officer or director of several public and private companies is relevant to his responsibilities as a member of our Compensation Committee. He has also previously served as the chair of the compensation committee of the board of directors of Taleo Corp. and on the compensation committee of the board of directors of Pivotal Corporation, both public companies. Before it was reconstituted in connection with our IPO, Mr. Wadsworth was the Chair of the Compensation Committee. Each of the members of the Compensation Committee, through their previous work experience and board memberships, have the skills and experience that enable the Compensation Committee to make decisions on the suitability of our compensation policies and practices. In addition, our Board has determined that the composition of the Compensation Committee is appropriate, given that the majority of the members are independent, the Chair is independent, and that Mr. Wadsworth provides continuity of knowledge and experience based on his former role as Chair of such committee. Mr. Wadsworth’s relationship with one of our principal shareholders will not materially adversely affect the ability of our Compensation Committee to act independently.

Pursuant to the charter of the Compensation Committee, the mandate of the Compensation Committee is to assist our Board in carrying out its oversight responsibility relating to human resources and compensation policies and processes. The primary responsibilities of the Compensation Committee are to make recommendations to our Board in respect of: (1) compensation policies and guidelines; (2) management incentive and perquisite plans and any non-standard remuneration plans; (3) senior management, executive and officer compensation; and (4) Board compensation matters. In carrying out these responsibilities, the Compensation Committee will evaluate the performance of our Chief Executive Officer and all other senior executives in consideration of the respective performance goals and objectives for each such individual and recommend to our Board the amount of regular and incentive compensation to be paid to our Chief Executive Officer and all other senior executives; review and recommend to our Board our Chief Executive Officer’s performance evaluations and recommendations for compensation of our officers and key employees (other than our senior executives); review our compensation philosophy and make recommendations for changes, where appropriate; review and make recommendations to our

Board with respect to incentive based compensation plans and equity based plans (including stock option plans and share unit plans); review and recommend to our Board the aggregate bonus pools to be made available under our incentive compensation plans for senior management, executives and officers; prepare or review the report on executive compensation and compensation discussion and analysis required to be included in our continuous disclosure documentation; retain independent advice in respect of compensation matters, where deemed appropriate, with the expectation that a compensation consultant will be retained every two years to provide advice with respect to the compensation of the independent directors and our executives; and review and make a recommendation to our Board at least every three years regarding the compensation of our Board. More information on the process by which compensation for our directors and officers is determined as set forth under the heading “*Executive Compensation*” and “*Director Compensation*”.

### **Nominating and Governance Committee**

Our Board has appointed a Nominating and Governance Committee comprising three directors, each of whom are considered to be “independent” as that term is defined in NI 58-101. The members of the Nominating and Governance Committee are Howard Gwin (Chair), John (Ian) Giffen and Ronald Matricaria.

Pursuant to the charter of the Nominating and Governance Committee, the mandate of the Nominating and Governance Committee is to assist our Board in carrying out its oversight responsibility for ensuring that our strategic direction is reviewed annually and that our Board and each of its committees carry out their respective functions in accordance with the appropriate process. In addition, the Nominating and Governance Committee is responsible for assessing the effectiveness of our Board as a whole, each Board committee, and the contribution of each individual director. The Nominating and Governance Committee is responsible for recommending to our Board the methods and processes by which our Board, its committees and individual directors fulfill their duties and responsibilities, including the methods and processes for evaluating Board, committee and individual director effectiveness.

Furthermore, the Nominating and Governance Committee is responsible for identifying, recruiting, nominating, endorsing, recommending the appointment of, and orienting, new directors, as well as recommending corporate governance principles and best practices to our Board. In assessing candidates the Nominating and Governance Committee will consider whether the candidate’s competencies, skills and personal qualities are aligned with our needs and any criteria for selecting new directors established by our Board; and ensure the candidate understands the demands and expectations of a director of the Company.

While our Board is responsible for recommending the directors to be elected by shareholders at the annual meeting of shareholders, we have adopted a majority voting policy to deal with situations where a candidate recommended by our Board for election has more votes withheld than are voted in favour of such nominee. We believe that each director should have the confidence and support of the shareholders. Where a director nominee has more votes withheld than are voted in favour of such nominee, the nominee, even though duly elected as a matter of corporate law, will be required to tender his or her resignation which will be accepted by our Board, absent exceptional circumstances, within 90 days after the date of the shareholder meeting. A copy of the Majority Voting Policy can be found on the Corporate Governance section of our website at [www.kinaxis.com](http://www.kinaxis.com).

### **Disclosure Committee**

It is our policy to have a management disclosure committee responsible for overseeing the disclosure practices of the Corporation. The members of Disclosure Committee are Douglas Colbeth (Chair) and Richard Monkman.

Pursuant to its charter, the Disclosure Committee is responsible for monitoring the effectiveness of, and compliance with, our disclosure policy. The Disclosure Committees responsibilities include assisting management in the development of procedures and internal controls in connection with the disclosure practices of the Corporation. The Disclosure Committee sets benchmarks for the preliminary assessment of the materiality, determines the appropriateness and timing of public release of information in connection with pending material developments with respect to the Corporation, reviews and supervises the preparation of all public disclosure documents and educates the Board and the officers, employees and consultants of the Corporation about disclosure issues and our disclosure

policy. If it is determined that certain information should remain confidential, the Disclosure Committee determines how that information will be kept confidential.

### **Insider Trading**

We have adopted an Insider Trading Policy which governs the conduct of our directors, officers, employees and other insiders with respect to the trading of our securities, particularly in the context of material information concerning us and our affairs. Among other matters, the Insider Trading Policy sets out prohibited trading activities, establishes guidelines for identifying our insiders and describes reporting requirements applicable to insiders.

Under our Insider Trading Policy, our directors, officers and employees are not permitted to purchase financial instruments to hedge or offset a decrease in the market value of our securities granted as compensation.

The Insider Trading Policy permits, in the sole discretion of the Board, officers and directors to trade during blackout periods or during a time when such officer or director is in possession of material undisclosed information, provided that such officers or directors have entered into an automatic share disposition plan (“**ASDP**”) or automatic share purchase plan (“**ASPP**”) governing such trades on terms and conditions satisfactory to the Board and that are in accordance with the guidelines in OSC Staff Notice 55-701. To date, no officer or director has entered into an ASDP or ASPP.

## **ADDITIONAL INFORMATION**

Additional information relating to Kinaxis may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.Kinaxis.com](http://www.Kinaxis.com). You can also obtain a copy of our audited consolidated financial statements and the management’s discussion & analysis of the Company for its fiscal year ended December 31, 2014 by visiting the Investor Relations section on the Company’s website at [www.Kinaxis.com](http://www.Kinaxis.com) or by contacting Kinaxis’ investor relations:

Rob Kelly, TMX Equicom  
RKelly@tmxequicom.com  
Telephone: (416) 815-0700 ext. 253

or

Lori Smith, Kinaxis  
lsmith@kinaxis.com  
Telephone: (613) 907-7617

Additional financial information is provided in the audited consolidated financial statements and the management’s discussion & analysis of the Company for its fiscal year ended December 31, 2014.

## **APPROVAL BY THE DIRECTORS**

The Board of Directors of the Company has approved the content and delivery of this Management Information Circular.

**By order of the Board of Directors**

*(signed) Douglas Colbeth*

Douglas Colbeth  
President, Chief Executive Officer and  
Chairman of the Board



## APPENDIX A – MANDATE OF THE DIRECTORS

### KINAXIS INC. (the “Corporation”)

#### MANDATE OF THE DIRECTORS

##### 1. Purpose

The primary function of the directors (individually a “Director” and collectively the “Board”) of the Corporation is to supervise the management of the business and affairs of the Corporation. Management is responsible for the day-to-day conduct of the business of the Corporation. The fundamental objectives of the Board are to enhance and preserve long-term shareholder value and to ensure that the Corporation conducts business in an ethical and safe manner. In performing its functions, the Board should consider the legitimate interests that stakeholders, such as employees, customers and communities, may have in the Corporation. In carrying out its stewardship responsibility, the Board, through the Chief Executive Officer (the “CEO”), should set the standards of conduct for the Corporation.

##### 2. Procedure and Organization

The Board operates by delegating certain responsibilities and duties set out below to management or committees of the Board and by reserving certain responsibilities and duties for the Board. The Board retains the responsibility for managing its affairs, including selecting its chair (the “Chair of the Board”) and constituting committees of the Board. A majority of the members of the Board shall be independent within the meaning of National Instrument 58-101 (Disclosure of Corporate Governance Practices) and the rules of any stock exchange or market on which the Corporation’s shares are listed or posted for trading (collectively, “Applicable Governance Rules”). In the event the Board selects a non-independent Director to serve as the Chair of the Board, it shall also select an independent Director to serve as the independent lead Director (the “Lead Director”). In this mandate, the term “independent” includes the meanings given to similar terms by Applicable Governance Rules, including the terms “non-executive”, “outside” and “unrelated” to the extent such terms are applicable under Applicable Governance Rules. The Board shall assess, on an annual basis, the adequacy of this mandate.

##### 3. Responsibilities and Duties

The principal responsibilities and duties of the Board fall into a number of categories which are summarized below.

###### (a) Legal Requirements

- (i) The Board has the overall responsibility to ensure that applicable legal requirements are complied with and documents and records have been properly prepared, approved and maintained.
- (ii) The Board has the statutory responsibility to, among other things:
  - A. manage, or supervise the management of, the business and affairs of the Corporation;
  - B. act honestly and in good faith with a view to the best interests of the Corporation;
  - C. declare conflicts of interest, real or perceived;
  - D. exercise the care, diligence and skill that reasonably prudent people would exercise in comparable circumstances; and
  - E. act in accordance with the obligations contained in the *Canada Business Corporations Act* (the “CBCA”), the regulations thereunder, the articles and by-laws of the Corporation, applicable securities laws and policies, applicable stock exchange rules, and other applicable legislation and regulations.
- (iii) The Board has the statutory responsibility for considering the following matters as a Board which in law may not be delegated to management or to a committee of the Board:

- A. any submission to the shareholders of any question or matter requiring the approval of the shareholders;
- B. the filling of a vacancy among the directors or in the office of auditor, the appointment of any additional directors and the appointment or removal of any of the CEO, the Chair of the Board or the president of the Corporation;
- C. the issue of securities except as authorized by the Board;
- D. the declaration of dividends;
- E. the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
- F. the payment of a commission to any person in consideration of the person purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares except as authorized by the Board;
- G. the approval of a management proxy circular;
- H. the approval of a take-over bid circular, directors' circular or issuer bid circular;
- I. the approval of an amalgamation of the Corporation;
- J. the approval of an amendment to the articles of the Corporation;
- K. the approval of annual financial statements of the Corporation; and
- L. the adoption, amendment or repeal of any by-law of the Corporation.

In addition to those matters which at law cannot be delegated, the Board must consider and approve all major decisions affecting the Corporation, including all material acquisitions and dispositions, material capital expenditures, material debt financings, issue of shares and granting of options.

(b) Strategy Development

The Board has the responsibility to ensure that there are long-term goals and a strategic planning process in place for the Corporation and to participate with management directly or through committees in developing and approving the strategy by which the Corporation proposes to achieve these goals (taking into account, among other things, the opportunities and risks of the business of the Corporation).

(c) Risk Management

The Board has the responsibility to safeguard the assets and business of the Corporation, identify and understand the principal risks of the business of the Corporation and to ensure that there are appropriate systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

(d) Appointment, Training and Monitoring Senior Management

The Board has the responsibility to:

- (i) appoint the CEO, and together with the CEO, to develop a position description for the CEO;
- (ii) with the advice of the Compensation Committee, develop corporate goals and objectives that the CEO is responsible for meeting and to monitor and assess the performance of the CEO in light of those corporate goals and objectives and to determine the compensation of the CEO;
- (iii) provide advice and counsel to the CEO in the execution of the duties of the CEO;
- (iv) develop, to the extent considered appropriate, position descriptions for the Chair of the Board and the chair of each committee of the Board;

- (v) approve the appointment of all corporate officers;
- (vi) consider, and if considered appropriate, approve, upon the recommendation of the Compensation Committee and the CEO, the remuneration of all corporate officers;
- (vii) consider, and if considered appropriate, approve, upon the recommendation of the Compensation Committee, incentive-compensation plans and equity-based plans of the Corporation; and
- (viii) ensure that adequate provision has been made to train and develop management and members of the Board and for the orderly succession of management, including the CEO.

(e) Ensuring Integrity of Management

The Board has the responsibility, to the extent considered appropriate, to satisfy itself as to the integrity of the CEO and other officers of the Corporation and to ensure that the CEO and such other officers are creating a culture of integrity throughout the Corporation.

(f) Policies, Procedures and Compliance

The Board is responsible for the oversight and review of the following matters and may rely on management of the Corporation to the extent appropriate in connection with addressing such matters:

- (i) ensuring that the Corporation operates at all times within applicable laws and regulations and to appropriate ethical and moral standards;
- (ii) approving and monitoring compliance with significant policies and procedures by which the business of the Corporation is conducted;
- (iii) ensuring that the Corporation sets appropriate environmental standards for its operations and operates in material compliance with environmental laws and legislation;
- (iv) ensuring that the Corporation has a high regard for the health and safety of its employees in the workplace and has in place appropriate programs and policies relating thereto;
- (v) developing the approach of the Corporation to corporate governance, including to the extent appropriate developing a set of governance principles and guidelines that are specifically applicable to the Corporation; and
- (vi) examining the corporate governance practices within the Corporation and altering such practices when circumstances warrant.

(g) Reporting and Communication

The Board is responsible for the oversight and review of the following matters and may rely on management of the Corporation to the extent appropriate in connection with addressing such matters:

- (i) ensuring that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with management, shareholders, other stakeholders and the public generally;
- (ii) ensuring that the financial results of the Corporation are adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (iii) ensuring that the financial results are reported fairly and in accordance with applicable generally accepted accounting standards;
- (iv) ensuring the timely and accurate reporting of any developments that could have a significant and material impact on the value of the Corporation; and
- (v) reporting annually to the shareholders of the Corporation on the affairs of the Corporation for the preceding year.

(h) Monitoring and Acting

The Board is responsible for the oversight and review of the following matters and may rely on management of the Corporation to the extent appropriate in connection with addressing such matters:

- (i) monitoring the Corporation's progress in achieving its goals and objectives and, if necessary, revising and altering, through management, the direction of the Corporation in response to changing circumstances;
- (ii) considering taking action when performance falls short of the goals and objectives of the Corporation or when other special circumstances warrant;
- (iii) reviewing and approving material transactions involving the Corporation;
- (iv) ensuring that the Corporation has implemented adequate internal control and management information systems;
- (v) assessing the individual performance of each Director and the collective performance of the Board; and
- (vi) overseeing the size and composition of the Board as a whole to facilitate more effective decision-making by the Corporation.

**4. Board's Expectations of Management**

The Board expects each member of management to perform such duties, as may be reasonably assigned by the Board from time to time, faithfully, diligently, to the best of his or her ability and in the best interests of the Corporation. Each member of management is expected to devote substantially all of his or her business time and efforts to the performance of such duties. Management is expected to act in compliance with and to ensure that the Corporation is in compliance with all laws, rules and regulations applicable to the Corporation.

**5. Responsibilities and Expectations of Directors**

The responsibilities and expectations of each Director are as follows:

(a) Commitment and Attendance

All Directors should make every effort to attend all meetings of the Board and meetings of committees of which they are members. Members may attend by telephone.

(b) Participation in Meetings

Each Director should be sufficiently familiar with the business of the Corporation, including its financial position and capital structure and the risks and competition it faces, to actively and effectively participate in the deliberations of the Board and of each committee on which he or she is a member. Upon request, management should make appropriate personnel available to answer any questions a Director may have about any aspect of the business of the Corporation. Directors should also review the materials provided by management and the Corporation's advisors in advance of meetings of the Board and committees and should arrive prepared to discuss the matters presented.

(c) Code of Business Conduct and Ethics

The Corporation has adopted a Code of Business Conduct and Ethics to deal with the business conduct of Directors and officers of the Corporation. Directors should be familiar with the provisions of the Code of Business Conduct and Ethics. Each Director should also strive to perform his or her duties in keeping with current and emerging corporate governance best practices for directors of publicly traded corporations.

(d) Other Directorships

The Corporation values the experience Directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a Director's time and availability, and may also present conflicts issues. Directors should advise the chair of the Nominating and Governance Committee

before accepting any new membership on other boards of directors or any other affiliation with other businesses or governmental bodies which involve a significant commitment by the Director.

(e) Contact with Management

All Directors may contact the CEO at any time to discuss any aspect of the business of the Corporation. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for Directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

(f) Confidentiality

The proceedings and deliberations of the Board and its committees are, and shall remain, confidential. Each Director should maintain the confidentiality of information received in connection with his or her services as a director of the Corporation.

(g) Evaluating Board Performance

The Board, in conjunction with the Nominating and Governance Committee, and each of the committees of the Board should conduct a self-evaluation at least annually to assess their effectiveness. In addition, the Nominating and Governance Committee should periodically consider the mix of skills and experience that Directors bring to the Board and assess, on an ongoing basis, whether the Board has the necessary composition to perform its oversight function effectively.

**6. Qualifications and Directors' Orientation**

Directors should have the highest personal and professional ethics and values and be committed to advancing the interests of the Corporation. They should possess skills and competencies in areas that are relevant to the business of the Corporation. The CEO, the Chair of the Board and the Nominating and Governance Committee are jointly responsible for the provision of an orientation program for new Directors to explain the Corporation's approach to corporate governance and the nature and operation of its business. The CEO is also responsible for generating continuing education opportunities for all Directors so that members of the Board may maintain and enhance their skills as Directors.

**7. Meetings**

The Board should meet on at least a quarterly basis and should hold additional meetings as required or appropriate to consider other matters. In addition, the Board should meet as it considers appropriate to consider strategic planning for the Corporation. Financial and other appropriate information should be made available to the Directors in advance of Board meetings. Attendance at each meeting of the Board should be recorded. Management may be asked to participate in any meeting of the Board, provided that the CEO must not be present during deliberations or voting regarding his or her compensation.

Independent directors should meet separately from non-independent directors and management at least twice per year in conjunction with regularly scheduled Board meetings, and at such other times as the independent directors consider appropriate to ensure that the Board functions in an independent manner.

**8. Committees**

The Board has established an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and a Disclosure Committee to assist the Board in discharging its responsibilities. Special committees of the Board may be established from time to time to assist the Board in connection with specific matters. The chair of each committee should report to the Board following meetings of the committee. The charter of each standing committee should be reviewed annually by the Board.

**9. Evaluation**

Each Director will be subject to an annual evaluation of his or her individual performance. The collective performance of the Board and of each committee of the Board will also be subject to annual review. Directors

should be encouraged to exercise their duties and responsibilities in a manner that is consistent with this mandate and with the best interests of the Corporation and its shareholders generally.

**10. Resources**

The Board has the authority to retain independent legal, accounting and other consultants. The Board may request any officer or employee of the Corporation or outside counsel or the external/internal auditors to attend a meeting of the Board or to meet with any member of, or consultant to, the Board.

Directors are permitted to engage an outside legal or other adviser at the expense of the Corporation where for example he or she is placed in a conflict position through activities of the Corporation, but any such engagement shall be subject to the prior approval of the Nominating and Governance Committee.

## APPENDIX B – CHARTER OF THE AUDIT COMMITTEE

### KINAXIS INC. (the “Corporation”)

#### AUDIT COMMITTEE CHARTER

##### 1. Policy Statement

It is the policy of the Corporation to establish and maintain an Audit Committee (the “Committee”) to assist the directors (individually a “Director” and collectively the “Board”) of the Corporation in carrying out the Board’s oversight responsibility for the accounting, internal controls, financial reporting, audits of financial statements and risk management processes of the Corporation.

The Committee shall be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including appropriate administrative support. Without limiting the generality of the foregoing, the Corporation shall provide for appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for payment of: (a) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Corporation; (b) compensation to any advisers engaged by the Committee under section 4(c)(iii) of this charter; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

If determined appropriate by the Committee, it shall have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or other experts. The Committee shall have unrestricted access to the Corporation’s external auditors, is authorized to seek any information that it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

##### 2. Composition of Committee

- (a) The Committee shall be established by a resolution of the Board. The Committee shall consist of a minimum of three (3) Directors. The Board shall appoint the members of the Committee and may seek the advice and assistance of the Nominating and Governance Committee in identifying qualified candidates. The Board shall appoint one member of the Committee to be the chair of the Committee (the “Chair”).
- (b) All of the members of the Committee shall be Directors who are independent within the meaning of National Instrument 52-110 – Audit Committees (“NI 52-110”), and the rules of any stock exchange or market on which the Corporation’s shares are listed or posted for trading (collectively, “Applicable Governance Rules”). In this charter, the term “independent” includes the meanings given to similar terms by Applicable Governance Rules, including the terms “non-executive”, “outside” and “unrelated” to the extent such terms are applicable under Applicable Governance Rules. No member of the Committee shall have participated in the preparation of the financial statements of the Corporation or any current subsidiary of the Corporation at any time during the past three (3) years.
- (c) All members of the Committee must be able to read and understand fundamental financial statements (including a balance sheet, income statement and cash flow statement) and 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 level of complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
- (d) A Director appointed by the Board to the Committee shall be a member of the Committee until replaced by the Board or until his or her resignation.

##### 3. Meetings of the Committee

- (a) The Committee shall convene a minimum of four times each year at such times and places as may be determined by the Chair of the Committee, and whenever a meeting is requested by the Board, a member of the Committee, the auditors or senior management of the Corporation. Scheduled meetings of the

Committee shall correspond with the review of the quarterly and year-end financial statements and management discussion and analysis.

- (b) Notice of each meeting of the Committee shall be given to each member of the Committee.
- (c) Notice of a meeting of the Committee shall:
  - (i) be in writing, which includes electronic communication facilities;
  - (ii) state the nature of the business to be transacted at the meeting in reasonable detail;
  - (iii) to the extent practicable, be accompanied by a copy of any documentation to be considered at the meeting; and
  - (iv) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
- (d) A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee. However, it shall be the practice of the Committee to require review, and, if necessary, approval of important matters by all members of the Committee.
- (e) A member or members of the Committee may participate in a meeting of the Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
- (f) In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to chair the meeting. In addition, the members of the Committee shall choose one of the persons present to be the secretary of the meeting.
- (g) The Committee may invite such persons to attend meetings of the Committee as the Committee considers appropriate, except to the extent exclusion of certain persons is required pursuant to this charter or by applicable laws.
- (h) The Committee may invite the external auditors to be present at any meeting of the Committee and to comment on any financial statements, or on any of the financial aspects, of the Corporation.
- (i) The Committee (i) shall meet with the external auditors separately from individuals other than the Committee and (ii) may meet separately with management of the Corporation.
- (j) Minutes shall be kept of all meetings of the Committee and shall be signed by the chair and the secretary of the meeting. The Chair of the Committee shall circulate the minutes of the meetings of the Committee to all members of the Board.

#### 4. **Duties and Responsibilities of the Committee**

- (a) The Committee, in its capacity as a committee of the Board, is directly responsible for recommending to the Board the public accounting firm to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation (the “external auditor”) as well as the compensation of the external auditor. The Committee shall also be directly responsible for the oversight of the work of the external auditor (including resolution of disagreements between management and the auditor regarding financial reporting), and each such external auditor must report directly to the Committee.
- (b) The other primary duties and responsibilities of the Committee are to:
  - (i) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;
  - (ii) monitor the integrity of the Corporation’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

- (iii) monitor the independence, objectivity and performance of the external auditors, including, without limitation: (A) ensuring the Committee’s receipt from the external auditors at least annually of a formal written statement delineating all relationships between the external auditors and the Corporation; (B) actively engaging in dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor; and (C) taking, or recommending that the Board take, appropriate action to oversee the independence of the external auditors;
  - (iv) evaluate the performance of the external auditors at least annually;
  - (v) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;
  - (vi) directly oversee the external audit process and results (in addition to items described in subsection 4(e) below);
  - (vii) provide an avenue of communication between the external auditors, management and the Board;
  - (viii) review annually with management of the Corporation the anti-fraud, anti-bribery, anti-corruption and risk assessment programs of the Corporation;
  - (ix) carry out a review designed to ensure that an effective “whistle blowing” procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual; and
  - (x) oversee all pension and retirement benefit plans if and when established.
- (c) The Committee shall have the authority to:
- (i) inspect any and all of the books and records of the Corporation and its subsidiaries;
  - (ii) discuss with the management of the Corporation and its subsidiaries, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers appropriate;
  - (iii) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
  - (iv) set and pay the compensation for any advisors engaged by the Committee.

Relationship with the Board

- (d) The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as considered appropriate.

Relationship with External Auditors

- (e) The Committee shall:
- (i) review the audit plan with the external auditors and with management;
  - (ii) review with the external auditors the critical accounting policies and practices used by the Corporation, all alternative treatments of financial information within international financial reporting standards (“IFRS”) that the external auditors have discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors;
  - (iii) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of material risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;

- (iv) review with management and with the external auditors material financial reporting issues arising during the most recent financial period and the resolution or proposed resolution of such issues;
- (v) review any problems experienced or concerns expressed by the external auditors in performing any audit, including any restrictions imposed by management or any material accounting issues on which there was a disagreement with management;
- (vi) review with the external auditors any accounting adjustments that were noted or proposed by the independent auditor but that were “passed” (as immaterial or otherwise), any communications between the audit team and the external auditor’s national office respecting auditing or accounting issues presented by the engagement, any “management” or “internal control” letter or schedule of unadjusted differences issued, or proposed to be issued, by the external auditors to the Corporation, or any other material written communication provided by the external auditors to the Corporation’s management;
- (vii) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
- (viii) review and discuss with management and the external auditors any off-balance sheet transactions or structures and their effect on the Corporation’s financial results and operations, as well as the disclosure regarding such transactions and structures in the Corporation’s public filings;
- (ix) review the audited annual financial statements (including management discussion and analysis) and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all material variances between comparative reporting periods;
- (x) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management’s response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls and procedures for financial reporting of the Corporation and subsequent follow-up to any identified weaknesses;
- (xi) review with financial management and the external auditors the quarterly unaudited financial statements and management discussion and analysis before release to the public;
- (xii) periodically meet separately with management and the external auditors;
- (xiii) oversee the financial affairs of the Corporation and its subsidiaries, and, if deemed appropriate, make recommendations to the Board, external auditors or management;
- (xiv) discuss with management and the external auditors any correspondence with regulatory or governmental agencies that raise material issues regarding the Corporation’s financial statements or accounting policies;
- (xv) consider the recommendations of management in respect of the appointment and terms of engagement of the external auditor;
- (xvi) pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiaries by its external auditors, or the external auditors of subsidiaries of the Corporation, subject to the overriding principle that the external auditors not be permitted to be retained by the Corporation to perform internal audit outsourcing services or financial information systems services; provided that notwithstanding the above, the foregoing pre-approval of non-audit services may be delegated to a member of the Committee, with any decisions of the member with the delegated authority reporting to the Committee at the next scheduled meeting;
- (xvii) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates thereof together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;

- (xviii) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the notice of change of auditors and documentation required pursuant to the then current legislation, rules, policies and instruments of applicable regulatory authorities and the planned steps for an orderly transition period; and
  - (xix) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable laws, on a routine basis, whether or not there is to be a change of the external auditors.
- (f) In connection with the public disclosure of financial information and other public disclosure, the Committee shall:
- (i) review the Corporation's financial statements, MD&A and annual and interim profit or loss press releases before the Corporation publicly discloses this information;
  - (ii) review with management its evaluation of the Corporation's procedures and controls designed to assure that information required to be disclosed in the Corporation's periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by applicable securities laws for the filing of such reports ("Disclosure Controls"), and consider whether any changes are appropriate in light of management's evaluation of the effectiveness of such Disclosure Controls;
  - (iii) establish a policy, which may include delegation to an appropriate member or members of management, for release of earnings press releases as well as for the release of financial information and earnings guidance provided to analysts and rating agencies;
  - (iv) satisfy itself that adequate procedures are in place for the review of the Corporation's public information extracted from the Corporation's financial statements, other than the public information reviewed in accordance with section 4(f)(i), and periodically assess the adequacy of those procedures;
  - (v) to the extent deemed appropriate, review and supervise the preparation by management of:
    - A. the annual information forms, management information circulars and annual and interim financial statements of the Corporation and any other information of the Corporation filed by the Corporation with the applicable securities regulators;
    - B. press releases of the Corporation containing financial information, earnings guidance, forward-looking statements, information about operations or any other material information;
    - C. correspondence broadly disseminated to shareholders of the Corporation; and
    - D. other relevant written and oral communications or presentations;
  - (x) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and press releases, focusing particularly on:
    - A. any changes in accounting policies and practices;
    - B. any important areas where judgment must be exercised;
    - C. significant adjustments resulting from the audit;
    - D. the going concern assumption, if any;
    - E. compliance with accounting standards; and
    - F. compliance with stock exchange and legal requirements;
  - (xi) educate the Board about disclosure issues and the Disclosure Policy and review the procedures established by management and review the procedures established by management for the

education of officers, employees and consultants about disclosure issues and the Disclosure Policy; and

- (xii) to the extent deemed appropriate, review risk factors, underlying assumptions and forward-looking statement language for written and oral communications which contain forward-looking information and reviewing whether there is a reasonable basis for any conclusions, forecasts or projections contained in such information;
- (g) The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters which are directed to the Committee by any member of the Board, a shareholder of the Corporation, the external auditors or senior management.
- (h) The Committee shall periodically review with management the need for an internal audit function.
- (i) The Committee shall review the accounting and reporting of costs, liabilities and contingencies of the Corporation.
- (j) The Committee shall periodically discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- (k) The Committee shall establish, monitor and review policies and procedures for internal accounting, financial control and management information.
- (l) The Committee shall periodically discuss with management the Corporation's process for performing its quarterly certifications pursuant to Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.
- (m) The Committee shall review with the Chief Executive and Chief Financial Officer of the Corporation any report on significant deficiencies in the design or operation of the internal controls that could adversely affect the Corporation's ability to record, process, summarize or report financial data, any material weaknesses in internal controls identified to the auditors, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.
- (n) The Committee shall establish and maintain procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
  - (iii) reviewing arrangements by which staff of the Corporation may, in confidence, raise concerns about possible improprieties in matters of financial reporting and ensuring that arrangements are in place for proportionate and independent investigation and follow-up action.
- (o) At each meeting of the Committee, the Committee shall review any complaints or concerns of employees of the Corporation regarding accounting, internal accounting controls, or auditing matters relating to the Corporation and violations of the Code of Business Conduct and Ethics of the Corporation, the Anti-Bribery and Anti-Corruption Policy of the Corporation and of any applicable law, rule or regulation and shall follow the procedures established under the Whistleblower Policy regarding such concerns and complaints.
- (p) The Committee shall review all related party transactions and discuss the business rationale for these transactions and determine whether appropriate disclosures have been made. For this purpose, the term "related party transactions" includes any "material transaction" required to be disclosed under Item 13 of Form 51-102F2 under National Instrument 51-102 - Continuous Disclosure Obligations.
- (q) The Committee shall review the Corporation's compliance and ethics programs, including consideration of legal and regulatory requirements, and shall review with management its periodic evaluation of the effectiveness of such programs.

- (r) The Committee shall, in consultation with the Nominating and Governance Committee, review the Corporation's Code of Business Conduct and Ethics and programs that management has established to monitor compliance with such code, and periodically, after consultation with the Nominating and Governance Committee, make recommendations to the Board regarding the Corporation's Code of Business Conduct and Ethics that the Committee shall deem appropriate.
- (s) The Committee shall periodically review the Corporation's Anti-Bribery and Anti-Corruption Policy of the Corporation and make recommendations to the Board regarding the Corporation's Anti-Bribery and Anti-Corruption Policy that the Committee shall deem appropriate.
- (t) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.
- (u) The Committee shall receive any reports from legal counsel of evidence of a material violation of securities laws or breaches of fiduciary duty by the Corporation.
- (v) The Committee shall review with the Corporation's legal counsel, on no less than an annual basis, any legal matter that could have a material impact on the Corporation's financial statements and any enquiries received from regulators or government agencies.
- (w) The Committee shall assess, on an annual basis, the adequacy of this charter and the performance of the Committee.

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