



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

OF

RSI INTERNATIONAL SYSTEMS INC.

to be held at 11:00 a.m.

on Tuesday, February 5, 2019

*at Vantage Law Corporation
#Suite 1120 – 625 Howe Street
Vancouver, BC*

RSI INTERNATIONAL SYSTEMS INC.

Unit 8152, 200 – 375 Water Street

Vancouver, BC V6B 0M9

Phone: 604-984-6001 / Toll Free: 800.234.5695

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

NOTICE is hereby given that the annual general and special meeting of **RSI INTERNATIONAL SYSTEMS INC.** (the "**Company**"), will be held at the offices of Vantage Law Corporation, Suite 1120 – 625 Howe Street, Vancouver, British Columbia, on February 5, 2019, at 11:00 a.m. (Vancouver time), for the following purposes:

1. To receive and consider the audited financial statements for the financial year ending December 31, 2017, together with the auditors' report thereon, and to receive and consider the Company's Report to Shareholders.
2. To fix the number of Directors for the ensuing year at three (3).
3. To elect directors to hold office until the next annual general meeting of the Company.
4. To appoint MNP LLP, Chartered Accountants, as the auditors of the Company to hold office until the next annual general meeting, at a remuneration to be fixed by the Directors.
5. To consider and, if thought fit, pass a special resolution authorizing the sale of all or substantially all of the Company's business and assets to NSight, Inc., as more particularly set out in the accompanying Information Circular under the heading "Particulars of Other Matters to be Acted Upon – Sale of Substantially All of the Company's Undertaking".
6. To transact such other business as may properly be transacted at such meeting and at any adjournment thereof.

Additional information is contained in the accompanying Information Circular, which forms part of this Notice. If you are unable to attend the Meeting in person, you may still vote on the above items by submitting a proxy. A form of proxy (the "**Proxy**") has been provided in this package. Please refer to the Notes to the Proxy for instructions on completing the Proxy. To be effective, the Proxy must be completed, dated, signed and returned within the time limits and in accordance with the instructions set out in the Notes.

Registered shareholders as at the close of business on December 31, 2018 are entitled to notice of and vote at the Meeting in person or by proxy. Registered shareholders who are unable to attend the Meeting, or any adjournment(s) or postponement(s) thereof, in person, are requested to read, complete, sign and return or follow the instructions to vote over the telephone or on the internet the Proxy accompanying this Notice in accordance with the instructions set out in the form of Proxy and in the Information Circular accompanying this Notice. Beneficial shareholders who received the form of Proxy accompanying this Notice through an intermediary must deliver the Proxy in accordance with the instructions given by such intermediary.

DATED at Vancouver, British Columbia, this 9th day of January, 2019.

BY ORDER OF THE BOARD OF
RSI INTERNATIONAL SYSTEMS INC.

"Tim Major"

Tim Major
President and Chief Executive Officer

RSI INTERNATIONAL SYSTEMS INC.
Unit 8152, 200 – 375 Water Street, Vancouver, BC V6B 0M9
Phone: 604-984-6001 / Toll Free: 800.234.5695

INFORMATION CIRCULAR

(containing information as at December 31, 2018, unless otherwise noted)

SOLICITATION OF PROXIES

This Information Circular ("Circular") is furnished in connection with the solicitation of proxies by the management of RSI INTERNATIONAL SYSTEMS INC. (the "Company") for use at the annual general and special meeting (the "Meeting") of shareholders ("Shareholders") of the Company to be held on February 5, 2019, at the place and time and for the purposes set forth in the accompanying Notice of Meeting, and at any adjournment thereof. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the directors, officers and employees of the Company. The cost of solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy (the "Proxy") are directors and/or officers of the Company, or other nominees selected by management. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder's behalf at the Meeting other than the persons named in the Proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the Proxy and insert the name of the Shareholder's nominee in the blank space provided, or complete another proper instrument of proxy.** A proxy will not be valid unless it is duly completed, signed and deposited with the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**") by hand or mail at 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. A proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer, and deposited by hand or mail with Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by fax within North America at 1-866-249-7775 or outside North America at 1-416-263-9524, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the Proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxy holder will do so in accordance with such direction. **In the absence of any instruction in a proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

The Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, management of the Company is not aware of any such amendments, variations or other matters to be presented for action at the Meeting. However, if any other matters which are now not known to management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested shareholder approval, shares held by shareholders who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders as a substantial number of shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those shares will not be registered in the shareholder's name on the records of the Company. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such shares are voted.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from Broadridge. These VIFs are to be completed and returned to Broadridge. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Broadridge will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These security holder materials are being sent to both registered and non-registered owners of the shares of the Company. If you are a non-registered owner and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a proxyholder.

All references to shareholders in this Circular and the accompanying form of proxy are to registered shareholders unless specifically stated otherwise.

NOTICE AND ACCESS

The Company is not sending the Meeting Materials to registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102, *Continuous Disclosure Obligations* ("NI 51-102").

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, none of:

- (a) the directors or executive officers of the Company at any time since the beginning of the last financial year of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

A Shareholder of record at the close of business on December 31, 2018 (the "**Record Date**") who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such Shareholder's shares voted at the Meeting.

The Company's authorized capital consists of an unlimited number of common shares ("**Common Shares**") without par value and an unlimited number of preferred shares ("**Preferred Shares**") without par value. As at the Record Date, the Company has 36,835,278 Common Shares issued and outstanding, each share carrying the right to one vote, and no Preferred Shares outstanding.

To the best of the knowledge of the directors and executive officers of the Company, as at the Record Date no person beneficially owns, or exercises control or direction, directly or indirectly, over more than 10% of the issued and outstanding Common Shares, except as follows.

Name	Number of Voting Securities as at Record Date	Percentage as at Record Date
Ernest W. Moody Revocable Trust ⁽¹⁾	16,364,997	44.45%

(1) *Mr. David Keys, a director of the Company, serves as a consultant to the Ernest W. Moody Revocable Trust. Mr. Keys does not beneficially own any common shares of the Company. See also "Election of Directors – Information Concerning Nominees Submitted by Management" below.*

EXECUTIVE COMPENSATION

In accordance with the provisions of applicable securities legislation, the Company had four "Named Executive Officers" during the financial year ended December 31, 2017 (the "**most recently completed financial year**"), namely Tim Major, CEO, Giovanni Susin, CFO, Rod Kawamoto, VP of Operations, and Charles Ku, the former President and CEO.

Definitions

For the purpose of this Circular:

"CEO" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**closing market price**" means the price at which the company's security was last sold, on the applicable date,

- (a) in the security's principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**grant date**" means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;

"**incentive plan**" means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

"**incentive plan award**" means compensation awarded, earned, paid, or payable under an incentive plan;

"**NEO**" or "**named executive officer**" means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;

"**replacement grant**" means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

"**repricing**" means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

"**share-based award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Compensation Discussion and Analysis

NEO Compensation Discussion and Analysis

The objective of the Company's compensation strategy is to provide adequate levels of base compensation for its NEO's as well as discretionary bonuses to act as incentive mechanisms for achieving corporate goals and objectives. Each NEO receives a base salary in recognition of the position's day-to-day duties and responsibilities, which constitutes the largest share of the NEO's compensation package. The Compensation Committee reviews each NEO's base salary on an annual basis, and may also consider an NEO's qualifications, experience, length of service and past contributions in determining an NEO's base salary. The Compensation Committee may also set, throughout the year, discretionary bonuses to serve as incentive mechanisms for the meeting of particular corporate goals and objectives, or for the Company's financial performance. NEO's are also eligible to participate in the Company's Stock Option Plan (the "**Option Plan**") and receive grants of stock options thereunder.

In setting compensation and bonus levels, the Compensation Committee has not yet established any formal objectives or criteria as the Company's current stage of development and financial resources requires flexibility in determining remuneration for its NEO's. The Compensation Committee will, as circumstances require, review and consider the general risks associated with the Company's compensation strategies in terms of compensation paid or proposed to be paid to its NEO's. The Compensation Committee has not conducted a formal evaluation of the implications of the risks associated with the Company's compensation strategies. Risk management is a consideration of the Compensation Committee when implementing its compensation strategies and at the current time, the Compensation Committee does not believe that the Company's compensation strategies result in unnecessary or inappropriate risk taking, including risks that are likely to have a material adverse effect on the Company.

Option-Based Awards

The Option Plan is used to attract, retain and incentivize qualified and experienced personnel. The Option Plan is an important part of the Company's long-term incentive strategy for its NEO's, as well as for its other directors, officers, other management, employees and consultants (collectively, "**eligible persons**"), permitting them to participate in any appreciation of the market value of the Company's common shares over a stated period of time. The Option Plan is designed to foster a proprietary interest in stock ownership and increases in shareholder value, and to reinforce a commitment to the Company's long-term growth, performance and success. The Board reviews the grant of stock options to NEO's from time to time, based on various factors such as the NEO's level of responsibility and role and importance in the Company achieving its corporate goals, objectives and prospects. Previous grants of options are taken into account when considering new grants of stock options to NEO's. The Company has no equity compensation plans other than the Option Plan.

Use of Financial Instruments

The Company does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director having purchased such an instrument.

Compensation Governance

The Company has established a Compensation Committee comprised of David Keys, Fai Heng Chan and Adam Ho. Mr. Ho is not considered independent as he provides corporate development services to the Company. Mr. Keys and Mr. Chan are considered independent. Mr. Keys has been an operations and financial consultant since April 2004 and was interim CEO for SkyWire Media, Inc. December 2015 to August 2017. Mr. Chan is the current CEO and Executive Director of SGX Catalist-listed Singapore eDevelopment Limited and a Non-Executive Director of ASX-listed Holista Colltech Limited. Mr. Ho has held various positions within Zincore Metals Inc. since January 2010, is currently Vice President, Corporate Development since September 2013 and CFO since November 2014.

NEO Summary Compensation Table

The following table sets out certain information respecting the compensation paid to the NEO's during the most recently completed financial year and two prior financial years, for periods in which they were acting in the capacity of a NEO.

Name and principal position (a)	Year ⁽¹⁾ (b)	Salary (\$) (c)	Grant date fair value of share-based awards (\$) (d)	Grant date fair value of option-based awards ⁽²⁾ (\$) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Tim Major ⁽³⁾ CEO	2017	142,500	N/A	8,708	N/A	N/A	N/A	⁽⁴⁾ 4,568	157,776
	2016	150,000	N/A	Nil	N/A	N/A	N/A	⁽⁴⁾ 4,668	154,668
Giovanni Susin ⁽⁵⁾ CFO	2017	142,500	N/A	8,708	N/A	N/A	N/A	⁽⁴⁾ 4,643	155,851
	2016	150,000	N/A	Nil	N/A	N/A	N/A	⁽⁴⁾ 6,408	156,408
	2015	43,750	N/A	Nil	N/A	N/A	N/A	⁽⁴⁾ 568	44,318
Rod Kawamoto ⁽⁶⁾ VP of Operations	2017	\$62,500	N/A	8,708	N/A	N/A	N/A	⁽⁷⁾ 26,157	97,365
Charles Ku ⁽⁸⁾ Former President & CEO	2017	48,562	N/A	17,416	N/A	N/A	N/A	⁽⁴⁾ 1,099	67,077
	2016	185,000	N/A	Nil	N/A	N/A	N/A	⁽⁴⁾ 5,866	190,866
	2015	122,000	N/A	Nil	N/A	N/A	N/A	⁽⁴⁾ 40,995	162,995

(1) Fiscal year ended December 31.

(2) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton model. For the fiscal year ended December 31, 2017, see note 9 to the audited financial statements for that year for underlying assumptions used for options granted in that year.

(3) Tim Major was appointed as CEO on April 17, 2017; previously, he was CTO.

(4) Deemed value of taxable benefits.

(5) Giovanni Susin was appointed as CFO on September 15, 2015, so for fiscal 2015 amounts represent compensation from September 15, 2015 to December 31, 2015.

(6) Rod Kawamoto was appointed as VP of Operations, which included leading the Sales Department, as of May 19, 2017.

(7) Includes commission totalling \$24,525.

(8) Charles Ku resigned as President, CEO and a director as of April 18, 2017.

Narrative Discussion

The Company's general compensation strategy for NEO's is discussed above under "Compensation Discussion and Analysis – NEO Compensation Discussion and Analysis". The following is a summary of the most recent employment agreements or arrangements between the Company and any subsidiary thereof and the NEO's:

- **Tim Major.** The Company has a written agreement with Mr. Major providing for a base salary of \$150,000 per annum, and performance bonuses in such amounts as may be determined by the Company. Mr. Major may terminate the agreement upon providing four weeks' notice of resignation, which the Company may discharge by payment in lieu. The Company may terminate the agreement without just cause by providing between one and eight weeks written notice (depending on the length of service) or payment in lieu thereof, together with a salary continuance for a period of ten months. In the event of a change of control as defined in the agreement, Mr. Major may within the 12 months following the change of control provide a notice of resignation and will be further entitled to a retiring allowance equal to 10 months' pay.
- **Giovanni Susin.** The Company has a written agreement with Mr. Susin providing for a base salary of \$150,000 per annum, and performance bonuses in such amounts as may be determined by the Company. Mr. Susin may terminate the agreement upon providing four weeks' notice of resignation, which the Company may discharge by payment in lieu. The Company may terminate the agreement without just cause by providing between one and eight weeks written notice (depending on the length of service) or payment in lieu thereof, together with a salary continuance for a period of ten months. In the event of a change of control as defined in the agreement, Mr. Susin may within the 12 months following the change of control provide a notice of resignation and will be further entitled to a retiring allowance equal to 10 months' pay.

- *Rod Kawamoto.* The Company has a written agreement with Mr. Kawamoto providing for a base salary of \$110,000 per annum, and 2.5% of contract revenue of sales. Mr. Kawamoto may terminate the agreement upon providing three weeks' notice of resignation, which the Company may discharge by payment in lieu. The Company may terminate the agreement without just cause by providing written notice or payment in lieu thereof, as required by applicable employment standards legislation. In the event of a change of control as defined in the agreement, Mr. Kawamoto may within the 12 months following the change of control provide a notice of resignation and will be further entitled to a retiring allowance equal to 6 months' pay.

NEO Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting each NEO's share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options ⁽¹⁾ (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
Tim Major ⁽²⁾	100,000	0.20	Jan. 23, 2022	Nil	66,667	N/A	N/A
Giovanni Susin	100,000	0.20	Jan. 23, 2022	Nil	66,667	N/A	N/A
Rod Kawamoto ⁽³⁾	100,000	0.20	Jan. 23, 2022	Nil	66,667	N/A	N/A
Charles Ku ⁽⁴⁾	350,000	0.12	May 27, 2019	Nil	N/A	N/A	N/A
	200,000	0.20	Jan. 23, 2022	Nil	133,333	N/A	N/A

(1) Based on the difference between the closing market price of the Company's common shares on the Exchange on the last day of the most recently completed financial year (or, in the event there was no trade, the most recent closing market price prior thereto), being \$0.12 as of December 31, 2017, less the exercise price of the option.

(2) Tim Major was appointed as CEO on April 17, 2017; previously, he was CTO.

(3) Rod Kawamoto was appointed as VP of Operations, which included leading the Sales Department, on May 19, 2017.

(4) Charles Ku resigned as President, CEO and a director as of April 18, 2017.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets out certain information respecting the value of each NEO's share-based and option-based awards that became vested or were earned during the most recently completed financial year.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Tim Major ⁽²⁾	N/A	N/A	N/A
Giovanni Susin	N/A	N/A	N/A
Rod Kawamoto ⁽³⁾	N/A	N/A	N/A
Charles Ku ⁽⁴⁾	N/A	N/A	N/A

(1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the closing market price of the Company's common shares on the Exchange on the vesting date, less the exercise price of the option.

(2) Tim Major was appointed as CEO on April 17, 2017; previously, he was CTO.

(3) Rod Kawamoto was appointed as VP of Operations, which included leading the Sales Department, on May 19, 2017.

(4) Charles Ku resigned as President, CEO and a director as of April 18, 2017.

Narrative Discussion

The grant of stock options to NEO's pursuant to the Company's Option Plan is generally discussed above under the heading "Compensation Discussion and Analysis – Option-Based Awards".

During the most recently completed financial year, no stock options were granted to, and no stock options were exercised by, NEO's. As at the end of said financial year, NEO's held 850,000 of the 1,775,000 then issued and outstanding stock options.

NEO Termination and Change of Control Benefits

There are no provisions in any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in the Company or a change in the NEO's responsibilities, except as disclosed above under "NEO Summary Compensation Table – Narrative Discussion".

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets out certain information respecting the compensation paid to directors of the Company who were not NEO's during the Company's most recently completed financial year:

Name (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards (\$)⁽¹⁾ (d)	Non-equity incentive plan compensation (\$) (e)	Pension value (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
Fai Ambrose Heng Chan	Nil	N/A	\$10,885	N/A	N/A	Nil	\$10,885
David Keys	Nil	N/A	\$17,416	N/A	N/A	Nil	\$17,416
Adam Ho	\$64,800	N/A	\$19,593	N/A	N/A	Nil	\$84,393
Jason Moreau ⁽²⁾	Nil	N/A	\$10,885	N/A	N/A	N/A	\$10,885

(1) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton model. For the fiscal year ended December 31, 2017, see note 9 to the audited financial statements for that year for underlying assumptions used for options granted in that year.

(2) Jason Moreau resigned as a director as of October 1, 2017.

Narrative Discussion

Other than as mentioned below, there are no arrangements under which directors of the Company who were not NEO's were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors or consultants.

- *Adam Ho.* On July 1, 2016, the Company entered an agreement with Mr. Ho to provide corporate development services to the Company at a daily rate of \$400 per day. Subsequent to the end of the most recently completed financial year, in April 2018, the rate was increased to \$600 per day.

Director Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for the directors of the Company who were not NEO's.

Name (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options ⁽¹⁾ (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
Fai Ambrose Heng Chan	125,000	0.20	Jan. 23, 2022	Nil	83,333	N/A	N/A
David Keys	200,000	0.20	Jan. 23, 2022	Nil	133,333	N/A	N/A
Adam Ho	225,000	0.20	Jan. 23, 2022	Nil	150,000	N/A	N/A
Jason Moreau ⁽²⁾	125,000	0.20	Jan. 23, 2022	Nil	83,333	N/A	N/A

(1) Based on the difference between the closing market price of the Company's common shares on the Exchange on the last day of the most recently completed financial year (or, in the event there was no trade, the most recent closing market price prior thereto), being \$0.14 as of December 31, 2017, less the exercise price of the option.

(2) Jason Moreau resigned as a director as of October 1, 2017.

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets out certain information respecting the value of share-based and option-based awards that became vested or were earned during the most recently completed financial year for the directors of the Company who were not NEO's.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Fai Ambrose Heng Chan	N/A	N/A	N/A
David Keys	N/A	N/A	N/A
Adam Ho	N/A	N/A	N/A
Jason Moreau ⁽²⁾	N/A	N/A	N/A

(1) For options that became vested during the most recently completed financial year and were in-the-money on their vesting date, based on the difference between the closing market price of the Company's common shares on the Exchange on the vesting date, less the exercise price of the option.

(2) Jason Moreau resigned as a director as of October 1, 2017.

Narrative Discussion

The grant of stock options to directors pursuant to the Company's Option Plan is generally discussed above under the heading "Compensation Discussion & Analysis – Option Based Awards".

During the most recently completed financial year, no stock options were granted to, and no stock options were exercised by, directors who are not NEO's. As at the end of said financial year, directors who are not NEO's held 675,000 of the 1,775,000 then issued and outstanding stock options.

AUDIT COMMITTEE DISCLOSURE

The Charter of the Company's audit committee and other information required to be disclosed by National Instrument 52-110 Audit Committees is attached to this Circular as Schedule "A".

CORPORATE GOVERNANCE DISCLOSURE

The information required to be disclosed by National Instrument 58-101 Disclosure of Corporate Governance Practices is attached to this Circular as Schedule "B".

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2017:

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾ (a)	Weighted-average exercise price of outstanding options, warrants and rights ⁽¹⁾ (b)	Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a) ⁽¹⁾ (c)
Equity compensation plans approved by securityholders ⁽²⁾	1,775,000	0.18	4,618,425
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
TOTAL	1,775,000	0.18	4,618,425

(1) The foregoing information is presented as of December 31, 2017.

(2) Represents the Option Plan of the Company, which reserves a fixed number of common shares equal to 6,393,425 for issue pursuant to stock options. No options were exercised during the year ended December 31, 2017

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this information circular or "routine indebtedness" as defined in Form 51-102F5 of National Instrument 51-102 none of:

- (a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer of the Company;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "Informed Person" means (a) a Director or Executive Officer of the Company; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2017, none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

MANAGEMENT CONTRACTS

Management functions of the Company and any subsidiary thereof are not, to any substantial degree, performed other than by directors or executive officers of the Company or any subsidiary thereof.

FINANCIAL STATEMENTS AND COPIES OF MEETING MATERIALS

The audited financial statements of the Company as at and for the period ended December 31, 2017 (the "**Financial Statements**"), together with the auditor's report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the auditor's report thereon and the Company's Management's Discussion & Analysis (the "**MD&A**"), are being mailed only to those shareholders on the supplemental mailing list maintained by the Company's registrar and transfer agent. Copies of the Financial Statements, together with the auditor's report thereon and the Company's MD&A, Notice of Meeting, Circular and Proxy are available on the SEDAR website at www.sedar.com and at the Company's registered and records office at 1120 - 625 Howe Street, Vancouver, BC, V6C 3A6.

ELECTION OF DIRECTORS

Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of directors at three (3). In the absence of express instructions to the contrary, the shares represented by proxy will be voted in favour of fixing the number of directors at three (3).

Each director of the Company is elected annually and holds office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the Articles of the Company. Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, the election of Management's nominees for director shown below. In the absence of express instructions to the contrary, the shares represented by proxy will be voted in favour of the election of Management's nominees. Management does not contemplate that any of Management's nominees will be unable to serve as a director.

Advance Notice Policy

The Company's articles contain provisions requiring advance notice in connection with the nomination of directors (the "**Advance Notice Provisions**"). The following is a summary of the proposed Advance Notice Provisions and is subject to the full text of the Advance Notice Provisions set forth in the articles.

The purpose of the Advance Notice Policy is to foster a variety of interests of the Shareholders and the Company by ensuring that all Shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Policy fixes a deadline by which holders of common shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

As of the date of this Circular, the Company has not received any notice of a nomination for director in compliance with the Advance Notice Policy.

Information Concerning Nominees Submitted By Management

The following table sets out required information regarding the persons nominated by Management for election as a director. No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

Name, Province and Country of ordinary residence ⁽¹⁾ , and positions held with the Company	Principal occupation and, IF NOT an elected Director, principal occupation during the past five years ⁽¹⁾	Date(s) serving as a Director	No. of shares beneficially owned or controlled ⁽¹⁾
DAVID KEYS ⁽²⁾⁽³⁾ Nevada, USA <i>Director</i>	Operations and Financial Consultant since April 2004; interim CEO for SkyWire Media, Inc. from December 2015 to August 2017.	August 24, 2016	Nil ⁽⁴⁾
ADAM HO ⁽²⁾⁽³⁾ British Columbia, Canada <i>Director</i>	Various positions within Zincore Metals Inc. since January 2010, currently Vice President, Corporate Development of Zincore since September 2013 and CFO since November 2014.	August 24, 2016	315,762
ANTHONY BALIC British Columbia, Canada <i>New Nominee</i>	Mr. Balic has worked with Canadian and U.S. publicly listed companies for the past 13 years. He is currently the CFO of Goldgroup Mining Inc., Captiva Verde Land Corp., Omni Commerce Corp. and Montan Mining Corp., and has been a director of Montan Mining Corp. since June 14, 2018. Prior to his involvement with public companies, Mr. Balic was a Senior Manager at Deloitte LLP in Vancouver, where he specialized in assurance and advisory services for clients in various industries.	N/A	Nil

(1) The information as to ordinary residence, principal occupation and number of common shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.

(2) Member of Audit Committee.

(3) Member of Compensation Committee.

(4) Mr. Keys does not beneficially own any common shares of the Company. Amount does not include 16,364,997 common shares held by Ernest W. Moody Revocable Trust, a trust of which Mr. Keys serves as a consultant. See also "Record Date, Voting Shares and Principal Holders Thereof" above.

The Company does not currently have an Executive Committee of its Board of Directors.

Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions

For purposes of the disclosure in this section, an "order" means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Other than disclosed herein, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the 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;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

APPOINTMENT AND REMUNERATION OF AUDITORS

MNP LLP, Chartered Accountants, is the current auditor of the Company. Management recommends, and the persons named in the accompanying Proxy intend to vote in favour of the re-appointment of MNP LLP, Chartered Accountants as the auditor of the Company to hold office until the next annual general meeting of the Company at a remuneration to be fixed by the Board of Directors. In the absence of express instructions to the contrary, the shares represented by proxy will be voted in favour of the re-appointment of MNP LLP, Chartered Accountants as the auditor of the Company to hold office until the next annual general meeting of the Company at a remuneration to be fixed by the Board of Directors.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

A. SALE OF SUBSTANTIALLY ALL OF THE COMPANY'S UNDERTAKING

Summary

The Company has entered an asset purchase agreement (the “**Agreement**”) made as of the 8th day of January, 2019, among the Company, the Company’s wholly owned operating subsidiary, Veratta Technologies (2011) Inc. (together with the Company, “**RSI**”), and NSight, Inc. (the “**Purchaser**”) with respect to RSI’s sale (the “**Sale**”) of all of its business and assets (the “**Business**”) related to the development and operation of its web-based property management system, RoomKey PMS (“**RoomKey**”). The consideration for the Sale will be US\$4,600,000, subject to various adjustments to be calculated and determined on or about the closing date. In addition, it is contemplated that all existing employees of the Company, including senior management, will be offered continuous employment by the Purchaser, on terms generally no less favourable than their current employment terms, but the Company will remain responsible for (i) the negotiated settlement of and resulting payment under any of senior management’s change of control provisions in their respective compensation arrangements (see above under “Executive Compensation – NEO Summary Compensation Table – Narrative Discussion”, and below under “The Agreement – Purchase Price and Adjustments”); and (ii) any severance and other payments due to any non-transferring employees. The transaction is at arm’s length.

The Business comprises all or substantially all of the undertakings of the Company. Pursuant to section 301 of the *Business Corporations Act* (British Columbia) (the “**Act**”) the Sale must be authorized by a special resolution. Pursuant to section 301(5) of the Act, any shareholder of the Company may dissent in accordance with Part 8, Division 2, of the Act.

Background

The Company’s present undertaking is the development and operation of RoomKey, a web-based property management system that incorporates a fully integrated online reservation booking engine and connectivity to global and internet distribution systems.

As at December 31, 2017 (audited), the Company had total assets of \$1,730,124, of which \$1,628,388 were related to the Business (comprised of accounts receivable, prepaid expenses, equipment and deferred development costs), and total liabilities of \$1,107,555. During the fiscal year ended December 31, 2017 (audited), the Company earned revenue of \$4,909,702, which was offset by \$775,621 for cost of goods sold and \$4,674,740 in expenses, resulting in a net loss and comprehensive loss for the year of \$540,659.

As at September 30, 2018 (unaudited), the Company had total assets of \$1,727,155, of which \$1,527,070 were related to the Business (comprised of accounts receivable, prepaid expenses, equipment and deferred development costs), and total liabilities of \$1,105,599. During the nine-month period ended September 30, 2018 (unaudited), the Company earned revenue of \$3,716,698, which was offset by \$702,391 for cost of goods sold and \$3,025,897 in expenses, resulting in a net loss and comprehensive loss for the nine-month period of \$11,590.

For the nine-month period ended September 30, 2018, revenues declined by 6% and the cost of goods sold increased by 24% compared to the same period in the previous year. Although the Company has managed to considerably reduce its net loss in the recent period through aggressive cost controls, management believes that this situation is only sustainable in the short run, and that a considerable investment in further product development and marketing is required to update RoomKey PMS in order to remain competitive, retain existing customers, and potentially expand its revenue base.

The Agreement

Purchase Price and Adjustments

Pursuant to the Agreement, the purchase price for the Business is US\$4,600,000¹. The Purchaser will not assume any of the Company’s liabilities, except as expressly agreed to (the “**Assumed Liabilities**”), and such assumption would, in any event, result in a corresponding downward adjustment of the purchase price. As at September 30, 2018 (unaudited), the Company had total liabilities of \$1,105,599, which does not include the costs related to the Sale or any contingent liabilities arising therefrom, such as the negotiation and settlement of senior management’s change of control provisions in their respective compensation arrangements (see above under “Executive Compensation – NEO Summary Compensation Table – Narrative Discussion”)², and any severance and other payments due to any non-transferring employees who do not continue in the employment of the Purchaser. The purchase price is subject to the following adjustments, to be calculated and determined on or about the closing date:

- increased by an amount equal to 65% of accounts receivable up to \$205,000, and a further 100% of accounts receivable in excess of \$205,000;
- decreased by an amount equal to 100% of accounts payable assigned to the Purchaser and any other Assumed Liabilities;
- increased by an amount equal to 100% of the pro-rated amount remaining of any prepaid expenses;

¹ The Purchaser is in the process of raising funds for the purchase price. There can be no assurances that the Purchaser will be able to raise the funds necessary on terms acceptable to it, if at all, in order to complete the transaction.

² Pursuant to their employment agreements, Messrs. Tim Major, Giovanni Susin and Rod Kawamoto are entitled, upon a change of control (which includes the sale of all or substantially all of the Company’s assets), to resign and be paid a retiring allowance of, respectively, 10 months (C\$125,000), 10 months (C\$125,000) and 6 months (C\$55,000) salary. The Company is currently in negotiations with these individuals for a concession in these payments, but there can be no assurances that the Company will be able to successfully negotiate a reduction in these contractual obligations.

- decreased by an amount equal to 35% of any deferred revenues up to \$550,000, and a further 100% of deferred revenues in excess of \$550,000;
- decreased by an amount equal to 50% of the transferring employees' accrued employment benefits;
- where the annualized value of any existing customer contracts which are not assigned to the Purchaser ("**Terminated Contracts**") exceeds the annualized value of any new customer contracts ("**New Contracts**") by at least \$100,000, the purchase price shall be decreased by an amount equal to 100% of the recurring revenue from the Terminated Contracts in the 12 months prior to the closing;
- where the annualized value of any New Contracts exceeds the annualized value of any Terminated Contracts by at least \$100,000, the purchase price shall be increased by an amount equal to 100% of the recurring revenue from the New Contracts in the 12 months following the closing; and
- decreased by an amount equal to 5% of the recurring revenues from all customer contracts expiring or requiring renewal after July 31, 2019.

Other Material Covenants and Conditions to Closing

Pursuant to the Agreement, RSI is required to obtain a consent to assignment from each customer ("**Significant Customer**") with an annual revenue of at least \$25,000. As at the date hereof, this group comprises approximately nine customers. RSI shall further use its best efforts to cause the transfer and assignment to the Purchaser of all other contracts to which it is a party.

The completion of the Sale is subject to the following conditions for the benefit of RSI:

- shareholder and Exchange approval;
- the Purchaser's representations and warranties being true on the closing date;
- the Purchaser's covenants to be performed on or prior to closing having been duly performed;
- the final purchase price following adjustments being not less than US\$3,500,000.

The completion of the Sale is subject to the following conditions for the benefit of the Purchaser:

- shareholder and Exchange approval;
- the full and final discharge of all security interests and other encumbrances on RSI's assets;
- there being no material adverse change in the financial condition, operating results, assets, operations, employee relations, prospects or customer/supplier relations in the Business;
- the Significant Customers and counterparties to all other material contracts having provided consents to assignment, and the counterparties to all other contracts having received notice of assignment or termination, as the case may be;
- the employees (other than those designated by the Purchaser) having accepted the Purchaser's offer for continued employment;
- receipt of a disclosure letter and closing disclosure letter, in form and content satisfactory to the Purchaser, detailing RSI's assets, liabilities, customers and other matters relating to the Business, by January 18, 2019 and as of the closing date, respectively.
- RSI's representations and warranties being true on the closing date;
- RSI's covenants to be performed on or prior to closing having been duly performed.

The Agreement also contains a restrictive covenant that RSI will not compete with the Business (as currently carried on and in respect of any upgrades currently under development) for a period of two years. In the event that the Agreement is terminated as a result of RSI accepting a bona fide unsolicited Acquisition Proposal (as defined in the Agreement) that is, or could reasonably lead to, a Superior Proposal (as defined in the Agreement) to which the Board of the Company has an obligation to respond in order to satisfy its fiduciary duties, then, subject to a customary right of the Purchaser to match the financial terms of such Superior Proposal, RSI shall pay to the Purchaser a break fee equal to US\$460,000.

The Agreement further provides that RSI may terminate the Agreement if the Transaction Exchange Rate (as determined in the Agreement) is less than CAD\$1.2563/USD, and that the Purchaser may terminate the Agreement if the Transaction Exchange Rate is more than CAD\$1.3562/USD.

Effect on the Company / Listing

Upon completion of the proposed Sale, the Company will commence the search to acquire a new business. The Exchange has informally advised the Company that it will be put on notice for transfer to the NEX Board of the Exchange, and that if it does not acquire a new business that meets the Exchange's listing requirements prior to the deadline to be determined by the Exchange, that the Company will be transferred to the NEX Board.

Board Recommendation

The Board and management of the Company have given careful analysis and considered many factors including, but not limited to:

- the current state of the RoomKey PMS and the Business;
- the cost and cash flow requirements associated with the maintaining and upgrading of the RoomKey PMS and the expansion of the Business, and RoomKey PMS's potential future markets and prospects;
- the current working capital resources available to the Company;
- the availability of additional debt or equity financing;
- the market for the Company's common shares, whose last trade was at \$0.04 immediately prior to the announcement of the transaction and resulting trading halt imposed by the Exchange pending the completion of the Sale; and
- the terms of the Purchase Agreement,

and have concluded that in order to maximize shareholder value, proceeding with the Sale of the Business, and searching for a new business, is in the best interests of the shareholders of the Company.

Accordingly, the Board and management of the Company RECOMMENDS that the shareholders of the Company approve the Sale.

Shareholder Approval

In accordance with section 301 of the Act, shareholders will be asked to consider and if thought fit, approve, a special resolution to approve the Sale, being a sale, lease or other disposal of all or substantially all of the Company's undertaking. In order to approve the special resolution, a majority of not less than two-thirds (2/3) of the votes cast will be required.

The persons named as proxyholder in the enclosed instrument of proxy intend to vote in favour of the Sale. In the absence of instructions to the contrary, the shares represented by proxy will be voted in favour of the Sale.

The text of the special resolution to be presented to shareholders to approve the Sale, with or without modification, is as follows:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- (a) the entering into, execution and delivery of the Asset Purchase Agreement (the “**Agreement**”) made as of the 8th day of January, 2019, among the Company, the Company’s wholly owned operating subsidiary, Veratta Technologies (2011) Inc. (together with the Company, “**RSI**”), and NSight, Inc. (the “**Purchaser**”) with respect to RSI’s sale (the “**Sale**”) of all of its business and assets (the “**Business**”) related to the development and operation of its RoomKey PMS be and is hereby authorized, approved, ratified and confirmed;
- (b) the completion of the transactions contemplated in the Agreement, including but not limited to the Sale of the Business to the Purchaser, for greater certainty being the sale, lease or other disposal of all or substantially all of the Company’s undertaking, be and is hereby authorized and approved;
- (c) notwithstanding the passing of this special resolution to authorize and approve the Agreement and the completion of the transactions contemplated therein, including but not limited to the Sale of the Business to the Purchaser, the Directors of the Company are hereby authorized and empowered, without further notice to or action by the shareholders:
 - (i) to amend the Agreement, from time to time, whether before or after the execution and delivery thereof under the authority of this resolution, as the Directors of the Company deem necessary or desirable;
 - (ii) not proceed with the Agreement, including any matters contemplated therein, and otherwise abandon the Sale; and
- (d) any one or more of the Directors or Officers of the Company be and are hereby jointly and severally authorized to take any and all such actions and proceedings, and to make, execute, deliver and file, under the Company’s seal or otherwise, any and all such notices, applications, declarations, undertakings, agreements and other documents and instruments, and to do any and all such other acts and things, in the name of and on behalf of the Company, that may be deemed necessary or desirable to carry out and give effect to the provisions or intent of this resolution and all matters incidental thereto."

A copy of the Agreement may be inspected at the head office of the Company, located at Unit 8152, 200 – 375 Water Street, Vancouver, BC, V6B 0M9, during normal business hours, up to the date of the Meeting and for a period of thirty days thereafter.

Dissent Rights

Pursuant to the Act, a Shareholder is entitled, in addition to any other right that the Shareholder may have, to dissent and be paid by the Company the fair value of the Common Shares in respect of which that Shareholder dissents. The procedure to be followed by a Shareholder who intends to dissent from approval of the proposed Sale is set out in Part 8, Division 2, of the Act. A dissenting Shareholder can require the Company to pay the fair value of the Shareholder’s Common Shares, determined as the fair value of such Common Shares immediately before the passing of the special resolution approving the Sale (for reference, the last trade of the Common Shares was at \$0.04 immediately prior to the announcement of the transaction and resulting trading halt imposed by the Exchange pending the completion of the Sale). The following description of the rights of Shareholders to dissent is not a comprehensive statement of the procedures and is qualified in its entirety by reference to the full text of Sections 237 to 247 of Part 8, Division 2, of the Act, attached as Schedule "C" to this Circular.

The following is only a summary of the dissenting shareholder provisions of the Act, which are technical and complex. Persons who are Beneficial Owners of the Common Shares registered in the name of a broker, custodian, nominee, other intermediary, or in some other name, should contact the registered holder of such shares for assistance with exercising the dissent right. Shareholders wishing to exercise rights of dissent should seek their own legal advice since they may be prejudiced by failure to strictly comply with the applicable provisions of the Act.

A Shareholder who wishes to invoke the provisions of Part 8, Division 2, of the Act must send the Company a written notice of dissent to the Sale (the "**Notice of Dissent**"). The Notice of Dissent must be sent at least 2 days before the Meeting of Shareholders at which the Sale is to be voted on. A Shareholder who wishes to dissent must prepare a separate Notice of Dissent for (i) the Shareholder, if the Shareholder is dissenting on his or her own behalf and (ii) each person who beneficially owns common shares in the Shareholder's name and on whose behalf the Shareholder is dissenting. Each Notice of Dissent must comply with the requirements set out in Part 8, Division 2, of the Act.

The sending of a Notice of Dissent does not deprive a Shareholder of the right to vote on the Sale at the Meeting, but a vote either in person or by proxy against the Sale does not constitute a Notice of Dissent. A vote in favour of the Sale will deprive the Shareholder of further rights under Part 8, Division 2, of the Act. A dissenting Shareholder, however, may vote as a proxy for a Shareholder whose proxy required an affirmative vote, without affecting his or her right to exercise dissent rights.

If the Company receives a Notice of Dissent and intends to or has acted on the authority of the special resolution approving the Sale, the Company will promptly send a notice (the "**Notice of Intention to Proceed**") to the dissenting Shareholder. To complete the dissent, the dissenting Shareholder must send the specified statements, as applicable, and the share certificates representing the subject Common Shares (the "**Notice Shares**") in accordance with Section 244 of the Act within one month of the date of the Notice of Intention to Proceed, following which the dissenting Shareholder may not vote, or exercise or assert any rights of a shareholder in respect of the Notice Shares, except as otherwise provided by the Act. The Company and the dissenting Shareholder may agree on the payout value of the Notice Shares or, if no agreement is made, either the Company or the dissenting Shareholder may make an application to the Court to fix the payout value of the Notice Shares. In connection with the application, the Court may join in the application each dissenting Shareholder who has not agreed with the Company on the amount of the payout value of the Notice Shares and make consequential orders and give directions as it considers appropriate.

Promptly after a determination of the payout value of the Notice Shares has been made by agreement or by the Court, the Company must either pay that amount to the dissenting Shareholder or send a notice to the dissenting Shareholder that the Company is unable lawfully to pay dissenting Shareholders for their Notice Shares as the Company is insolvent or if the payment would render the Company insolvent. If the dissenting Shareholder receives a notice that the Company is unable to lawfully pay dissenting Shareholders for their Notice Shares, the dissenting Shareholder may, within 30 days after receipt, withdraw his or her Notice of Dissent. If the Notice of Dissent is not withdrawn, the dissenting Shareholder remains a claimant against the Company to be paid as soon as the Company is lawfully able to do so, or in a liquidation to be ranked subordinate to the rights of creditors of the Company but in priority to its Shareholders.

A dissenting Shareholder who properly exercises the dissent rights by strictly complying with all of the procedures ("**Dissent Procedures**") required to be complied with by a dissenting Shareholder, will cease to have any rights as a Shareholder other than the right to be paid the fair value of the Notice Shares by the Company in accordance with the Dissent Procedures. However, if a dissenting Shareholder seeks to exercise the dissent rights under the Act but does not properly comply with each of the Dissent Procedures required to be complied with by a dissenting Shareholder, that Shareholder loses the right to dissent.

A dissenting Shareholder may not withdraw a Notice of Dissent without the consent of the Company. A dissenting Shareholder may, with the written consent of the Company, at any time prior to the payment to the dissenting Shareholder of the full amount of money to which the dissenting Shareholder is entitled, abandon such dissenting Shareholder's dissent to the Sale by giving written notice to the Company, withdrawing the Notice of Dissent, by depositing such notice with the Company, or mailing it to the Company by registered mail, to the attention of the Chief Executive Officer, not later than two days before the meeting.

B. OTHER MATTERS

As of the date of this Circular, management knows of no other matters to be acted upon at this annual general and special meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company at Unit 8152, 200 – 375 Water Street, Vancouver, BC V6B 0M9 to request copies of the Company's Financial Statements and Management Discussion and Analysis in electronic format, which will be sent by email without charge.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to the Shareholders of the Company have been approved by the Board of Directors.

DATED at Vancouver, British Columbia, this 9th day of January, 2019.

BY ORDER OF THE BOARD OF
RSI INTERNATIONAL SYSTEMS INC.

“Tim Major”

Tim Major
President and Chief Executive Officer

SCHEDULE "A"

**FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE**

Item 1: The Audit Committee Charter

Purpose

The overall purpose of the Audit Committee (the "**Committee**") of RSI INTERNATIONAL SYSTEMS INC. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

Composition, Procedures and Organization

1. The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

- (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

1. The overall duties and responsibilities of the Committee shall be as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) co-operation received from the Company's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and

- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
4. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to Shareholders;
 - (ii) the annual information form, if required;
 - (iii) annual and interim MD&A;
 - (iv) prospectuses;
 - (v) news releases discussing financial results of the Company; and
 - (vi) other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Company's consolidated financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;

- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
5. The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.

Item 2: Composition of the Audit Committee

For purposes hereof, "financially literate" and "independent" have the meaning used in Multilateral Instrument 52-110 (the "**Instrument**") of the Canadian Securities Administrators. The current members of the Audit Committee are David Keys, Fai Heng Chan and Adam Ho. All of the members are financially literate. Pursuant to the provisions relating to independence set out in section 1.4 of the Instrument:

- Mr. Keys and Mr. Chan are considered independent.
- Mr. Ho is not considered independent as he provides corporate development services to the Company.

Item 3: Relevant Education and Experience

David Keys has been an operations and financial consultant since April 2004 and was interim CEO for SkyWire Media, Inc. from December 2015 to August 2017.

Fai Heng Chan is the current CEO and Executive Director of Singapore eDevelopment Limited and a Non-Executive Director of ASX-listed bio-technology company Holista Colltech Ltd. Mr. Chan was the Managing Chairman of HKSE-listed Heng Fai Enterprises Limited (now known as ZH International Holdings Limited). Mr. Chan was also formerly (i) the Managing Director of SGX Catalyst-listed SingHaiyi Group Ltd; (ii) the Executive Chairman of HKSE-listed China Gas Holdings Limited; (iii) a director of Global Med Technologies, Inc.; (iv) a director of Skywest Ltd, an ASX-listed airline company; and (v) the Chairman and Director of American Pacific Bank.

Adam Ho has held various positions within Zincore Metals Inc. since January 2010, is currently Vice President, Corporate Development since September 2013 and CFO since November 2014.

Item 4: Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation by the Committee to nominate or compensate an external auditor, currently MNP LLP, Chartered Accountants, not adopted by the Board.

Item 5: Reliance on Certain Exemptions

During the most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of the Instrument. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Company did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the audit committee and approved prior to the completion of the audit by the audit committee. Section 8 permits a company

to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

Item 6: Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. The engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

Item 7: External Auditor Service Fees (by category)

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years is as follows:

	FYE 2017	FYE 2016
Audit fees	\$55,000	\$55,650
Audit related fees	Nil	Nil
Tax consulting	\$3,900	\$5,250
All other fees (non-tax)	\$Nil	\$1,060 ⁽¹⁾
Total fees	\$58,900	\$61,960

(1) CPAB fees.

Item 8: Exemption

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

SCHEDULE "B"

Form 58-101F2

CORPORATE GOVERNANCE DISCLOSURE (VENTURE ISSUERS)

Item 1: Board of Directors

The Board facilitates its exercise of independent supervision over management through:

- (a) **Strategic Planning.** The Company's strategic business plan, including capital budgeting, is prepared by the President and Chief Executive Officer of the Company. The plan is then reviewed and discussed by the Board.
- (b) **Periodic review.** The Board meets at scheduled times and on an as needed basis with senior management to discuss the implementation of the Company's strategic plan and any issues in respect thereof, to discuss any material variances from the capital budget, and to give guidance to senior management and otherwise revise the strategic plan and capital budget as required.
- (c) **Audit Committee.** The Audit Committee is, to the extent practicable, made up of a majority of financially literate and independent directors, and has direct communication with internal personnel responsible for financial statement preparation and meets independently with the Company's external auditors as required. The Audit Committee's responsibilities include reviewing financial statements and the integrity of the Company's internal controls and management information systems. The Audit Committee meets with the Board annually and on an as needed basis to discuss these matters. Members of the Board are encouraged to bring any matter of concern in respect to the foregoing matters to the Audit Committee.
- (d) **Corporate Governance.** The Board as a whole is responsible for establishing and developing corporate governance practices appropriate for the Company.
- (e) **Approvals.** In addition to those matters which must, by law, be approved by the Board, approval for any transaction which is outside the ordinary course of business, with a non-arms length party or could be considered to be material to the Company must be approved by the Board.
- (f) **Independent members.** Meetings of the Board, independent of management, are encouraged as circumstances require.

The Board is currently comprised of three directors, being David Keys, Fai Heng Chan and Adam Ho. Mr. Keys and Mr. Chan are considered independent. Mr. Ho is not considered independent as he provides corporate development services to the Company.

For purposes of the foregoing discussion, "independence" is defined as a member who has no direct or indirect relationship which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of the member's independent judgment, and expressly includes but is not limited to an individual who has a relationship with the issuer pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer other than as remuneration for acting in his or her capacity as a member or as a part-time chair or vice-chair of the board of directors or any board committee.

Item 2: Directorships

David Keys is not presently a director of any other reporting issuer (or equivalent) in a Canadian or foreign jurisdiction.

Fai Heng Chan is a CEO and an Executive Director of Singapore eDevelopment Ltd., a company listed on the Singapore Stock Exchange and Hotapp International Inc., a company listed on the OTC BB.

Adam Ho is a director of Zincore Metals Inc., which is listed on the NEX.

Item 3: Orientation and Continuing Education

The Board does not currently have formal procedures or a program for the orientation of new board members, as no new board members are presently contemplated, or for the continuing education of board members. Inquiries are handled by the Board on a case by case basis with outside consultation, if required.

Item 4: Ethical Business Conduct

Board members are expected to maintain the highest standards of integrity and to lead by example. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

The Company allows any member of the Board to engage an outside advisor at the expense of the Company in appropriate circumstances. The engagement of an outside advisor is subject to the approval by the Board as a whole.

Item 5: Nomination of Directors

The Board as a whole is responsible for identifying nominees having an area of expertise needed for the Board and otherwise qualified to become a director, and in determining and recommending nominees for director for the annual meetings of the shareholders. The Board is not currently taking any steps to identify new candidates for the Board, as the current number of directors and the composition of the Board is considered adequate for a corporation of the current size and stage of development of the Company.

Item 6: Compensation

The Board has a Compensation Committee comprised of David Keys, Fai Heng Chan and Adam Ho. The Compensation Committee reviews, as needed, compensation to directors and to officers with respect to industry comparables and with regards to the particular circumstances of the Company.

Item 7: Other Board Committees

The Board has no other committees other than the Audit Committee and the Compensation Committee.

Item 8: Assessments

The Board as a whole assesses its performance, the performance of Board committees and the contribution of individual directors on an informal and ongoing basis. The Board of Directors also monitors the adequacy of information given to directors and of communications between the Board and management as circumstances require.

SCHEDULE "C"

DISSENT RIGHTS

BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Part 8 – Proceedings

Division 2 - Dissent Proceedings

Definitions and application

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
 - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution;
 - (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242(4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

- 239** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

- 240** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

- 241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent
- (a) a copy of the entered order, and
 - (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

- 242** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)a), (b), (c), (d), (e) or (f) must,
- (a) if the company has complied with section 240(1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (b) if the company has complied with section 240(3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the company has not complied with section 240(1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(g) must send written notice of dissent to the company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240(2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and

- (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

- 243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1)(a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

- 244** (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1)(c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),

- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

- 245** (1) A company and a dissenter who has complied with section 244(1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
- (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

- (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

