CARMANAH TECHNOLOGIES CORPORATION

NOTICE OF MEETING

- AND -

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL MEETING

OF SHAREHOLDERS

To be held on

May 7, 2015
At Delta Victoria Ocean Pointe Resort
Songhees Room
100 Harbour Road, Victoria, BC V9A 0G1

8:30 AM (Pacific time)

Carmanah Technologies Corporation
250 Bay Street
Victoria, BC V9A 3K5

Tel: (250) 380-0052, Fax: (250) 380-0062

www.carmanah.com

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Carmanah Technologies Corporation ("**Carmanah**" or the "**Company**") will be held at Delta Victoria Ocean Pointe - Songhees Suite/Room, 100 Harbour Road, Victoria, British Columbia at 8:30 a.m. (Pacific time), on May 7, 2015, for the following purposes:

1. to receive and consider the consolidated financial statements of the Company for the financial year ended December 31, 2014, together with the report of the independent auditor thereon;
2. to re-appoint Deloitte LLP, Chartered Accountants, as auditor for the Company for the ensuing financial year and to authorize the directors to fix the remuneration to be paid to the auditor;
3. to elect directors to hold office until the next annual general meeting of the Company; and
4. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Shareholders are invited to attend the Meeting. Only Shareholders of record on April 2, 2015 (the "**Record Date**") will be entitled to receive notice of and to vote at the Meeting or any adjournment thereof, except to the extent that a Shareholder has transferred any common shares in the capital of Carmanah ("**Carmanah Shares**") after that date and the new holder of such Carmanah Shares establishes proper ownership and requests not later than 10 days before the date of the Meeting that such Shareholder's name be included in the list of Shareholders eligible to vote at the Meeting or any adjournment thereof.

Whether or not you expect to attend the Meeting or any adjournment thereof, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY PROMPTLY IN THE ENCLOSED ENVELOPE. Your promptness in returning the proxy will assist in the expeditious and orderly processing of proxies and will ensure that your Carmanah Shares are represented. Please note that, if you are a registered shareholder, you may vote in person at the Meeting or any adjournment thereof even if you have previously returned the proxy.

DATED at Victoria, British Columbia as of the 2nd day of April, 2015

BY ORDER OF THE BOARD OF DIRECTORS

"*John Simmons*"

John Simmons
Chief Executive Officer

If you are a non-registered shareholder of Carmanah and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the meeting.

CARMANAH TECHNOLOGIES CORPORATION
250 Bay Street
Victoria, BC V9A 3K5
Tel: (250) 380-0052, Fax: (250) 380-0062

MANAGEMENT INFORMATION CIRCULAR

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INTRODUCTION

This management information circular (the "**Circular**") accompanies the notice of annual general meeting (the "**Notice**") and is furnished to shareholders (the "**Shareholders**") holding common shares (the "**Carmanah Shares**") in the capital of Carmanah Technologies Corporation ("**Carmanah**" or the "**Company**") in connection with the solicitation of proxies by the management of Carmanah for use at Carmanah's annual general meeting of Shareholders (the "**Meeting**") to be held on May 7, 2015 at 8:30 A.M. (Pacific time) at the Delta Victoria Ocean Pointe - Songhees Suite/Room, 100 Harbour Road, Victoria, BC. Except as otherwise stated, the information contained herein is given as at April 2, 2015.

CURRENCY

All currency references in this Circular are in United States dollars unless otherwise indicated. All references herein to "CAD" mean Canadian Dollars.

GENERAL PROXY INFORMATION

Solicitation of Proxies

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by directors, officers or employees of Carmanah. Costs of the solicitation of proxies for the Meeting will be borne by Carmanah. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of Carmanah who will not be directly compensated therefor. Carmanah has arranged for intermediaries to forward meeting materials to beneficial holders held of record by those intermediaries and Carmanah may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxies

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors or officers of Carmanah. **A REGISTERED SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE REGISTERED SHAREHOLDER AND ON THE REGISTERED SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S OR COMPANY'S NAME IN THE BLANK SPACE PROVIDED IN THE PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER PROXY.** A Proxy will not be valid unless it is completed, dated, signed and delivered to Computershare Investor Services Inc. at 510 Burrard St, Vancouver, BC V6C 3A8 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or is delivered to the chair of the Meeting prior to the commencement of the Meeting.

Non-Registered Shareholders

Only holders of record of Carmanah Shares ("**Registered Shareholders**") or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders because the Carmanah Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Carmanah Shares. More particularly, a person is not a Registered Shareholder in respect of Carmanah Shares which are held on behalf of the person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Carmanah Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, Carmanah has distributed copies of the Notice, this Circular and the Proxy (collectively, the

"**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page preprinted form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed Proxy accompanied by a page of instructions, which contains a removable label containing a bar code and other information. In order for the Proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the Proxy, properly complete and sign the Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Carmanah Shares that they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

Revocation of Proxies

A Shareholder who has given a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of Carmanah, and delivered either to Computershare Investor Services Inc. not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment of it, or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.**

Exercise of Discretion

The persons named in the Proxy accompanying this Circular will vote or withhold from voting the Carmanah Shares in accordance with the instructions from the Shareholder, on any ballot that may be called for. If a choice is specified with respect to any matter to be acted upon, the Carmanah Shares will be voted accordingly.

Where no choice has been specified by the Shareholder, or if both choices have been specified, such Carmanah Shares will be voted in favour of the matters identified in the Notice of Meeting.

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Circular, management of Carmanah knows of no such amendment, variation or other matter which may be presented to the Meeting.

Voting Securities and Principal Holders Thereof

As at the date hereof, Carmanah has issued and outstanding 16,977,000 fully paid and non-assessable Carmanah Shares, each share carrying the right to one vote. Carmanah has only one class of voting securities.

Registered Shareholders as at the Record Date who either personally attend the Meeting or who have completed and delivered a Proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Carmanah Shares voted at the Meeting.

To the knowledge of the directors and executive officers of Carmanah, there are no persons who, or corporations which, beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all issued and outstanding Carmanah Shares other than Michael Sonnenfeldt and James Meekison, who respectively own 37.6% (6,375,462) and 13.7% (2,317,800) of the issued and outstanding Carmanah Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

The audited consolidated financial statement of Carmanah for the year ended December 31, 2014, and the report of the auditors thereon will be tabled at the Meeting. These audited consolidated financial statements form part of the 2014 Annual Report of Carmanah. The Annual Report will be available to download from the Company's website at http://carmanah.com/company/annual-general-meeting or available from the Company's Corporate Secretary.

Appointment and Remuneration of Auditors

The management of Carmanah will recommend to the Meeting to re-appoint Deloitte LLP, Chartered Accountants, as auditor of Carmanah for the ensuing year and to authorize the directors to fix their remuneration. Deloitte has been the auditor of Carmanah since April 1, 2010.

Election of Directors

The Board presently consists of five directors and it is intended that five directors are elected at the Meeting.

The persons named below will be presented for election at the Meeting as management's nominees and, unless otherwise indicated, the persons named in the Proxy intend to vote for the election of these nominees. Management of Carmanah does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of Carmanah or until his/her successor is elected or appointed, unless his/her office is earlier vacated in accordance with the constating documents of Carmanah or with the provisions of the *Business Corporations Act* (British Columbia).

Information concerning such persons, as furnished by the individual nominees, is as follows:

Nominee Name, Position and Place of Residence)	Background and Principal Occupation for the Five Previous Years	Date(s) Served as a Director since	Carmanah Shares Beneficially Owned Directly or Indirectly
John Simmons Chief Executive Officer ("**CEO**") and Director *Victoria, British Columbia, Canada*	**Background:** John Simmons began his career in 1976 with multi-national Deere & Company. In 1983, Mr. Simmons founded (or co-founded) three companies in succession - Contour Window Fashions Ltd., InsulPro Industries Inc. and Integrated Paving Concepts Inc. - each of which grew from start-up to become listed on the Toronto Stock Exchange (the "**TSX**"). In 1998, Mr. Simmons founded JC Simmons & Associates, Inc., which participated, directly or indirectly, in the early stage financing of several companies including Aspreva Pharmaceuticals, Protox Therapeutics (now Sophiris Bio) and Contigo Systems. In 2000, Mr. Simmons was appointed CEO of TSX listed Bridges Transitions Inc. a position he held until its sale in 2006.	June 26, 2013	615,425

	Following this assignment, Mr. Simmons returned to Integrated Paving Concepts Inc. as its CEO. Between 2011 and 2013 Integrated Paving spun out and divested two of the company's brands and businesses which were followed by a concluding sale in 2013. In 2008, Mr. Simmons acquired Boulevard Magazine. This company was sold to Black Press Group in 2013. Mr. Simmons graduated from the University of Western Ontario School of Business (now Ivey School of Business) in 1976. **Principal Occupation for Five Previous Years:** Chief Executive Officer of the Company (2013 - Present) Chief Executive Officer of Integrated Paving (2007 -2013)		
Michael Sonnenfeldt Chairman of the Board *New York, New York, US*	**Background:** Michael W. Sonnenfeldt is Chairman of MUUS & Company LLC, a private investment company with a focus in alternative energy products and services, and a portfolio of private equity and fund investments. Mr. Sonnenfeldt is the Founder, Owner and Chairman of TIGER 21 LLC, the premier network of peer-to-peer learning groups for high net worth investors across North America with over $85 billion of assets managed by TIGER 21's 320 members spread across North America, with approximately $30 billion representing the personal holdings of the membership. Recently, he founded Magnolia Lifestyle + Benefits to provide world class products and services custom tailored to Magnolia's high net worth members. His first major Real Estate project was to develop The Harborside Financial Center in Jersey City, New Jersey into the nation's then largest commercial redevelopment. His next real estate venture was Emmes & Company, a real estate merchant bank which, under his leadership, grew to over $1 billion in assets, delivered over 30% IRR returns to its investors during his 7 year tenure, and acquired over 20 million square feet of real estate by the time Mr. Sonnenfeldt sold his controlling interest in 1998. Mr. Sonnenfeldt is a Phi Beta Kappa and received his Bachelor's and Master's degrees from MIT, and has received an Honorary Doctorate from Ben Gurion University. Mr. Sonnenfeldt is past Chairman of the Israel Policy Forum, former Chairman of the Executive Committee of The United Nations Association (of the United States), former Board Member of Business Executives for National Security, and former Board Member of the Synergos Institute. He is currently a member of the board (formerly also Chairman of the Investment Committee) of Earthjustice, the largest non-profit law firm dedicated to protecting the environment in the United States. Mr. Sonnenfeldt has been a senior lecturer at MIT's Sloan School of Management where he developed and co-taught a course on "Business and the Nation's Security". Mr. Sonnenfeldt is a passionate sailor.**Principal Occupation for Five Previous Years:** Managing Member of MUUS & Company LLC (1998 – Present)	June 26, 2013	6,375,462
Peter Berrang Director *Victoria, British Columbia, Canada*	**Background:** Peter Berrang is a scientist/businessman who has started and managed various high technology companies in B.C. during the past 30 years. He is a founding partner, shareholder and director of the Axys Group of Companies. Previously, Mr. Berrang was the founder and President of Seastar Optics Inc. for 10 years. Seastar, which manufactured semiconductor laser devices for the telecommunications industry world-wide was sold to SDL Inc. of San Jose, CA, a public company, in December 1995. SDL was subsequently acquired by JDS Uniphase. Mr. Berrang was Chairman of the board of directors of Epic Biosonics Inc., from 1997 to March, 2002. Epic was a medical	May 30, 2010	290,745

	devices company engaged in the development of a various components in the field of neurostimulation. **Principal Occupation for Five Previous Years:** President, Epic Ventures Ltd. (1990-Current)		
Terry Holland Director *Vancouver, British Columbia, Canada*	**Background:** Terry Holland has been involved in the Canadian private equity market for over 30 years. A commerce graduate of the University of British Columbia, Mr. Holland earned his CA designation in 1981 and was awarded the FCA designation in 2009. After a few years in public practice, Mr. Holland left to join a real estate development company as VP of finance. He later moved to the Equity Group of Companies, serving as VP of finance there as well. In 1990, Mr. Holland joined Trimin Enterprises Inc., a private equity firm, as President. Over the next 14 years Mr. Holland would play a lead role in Trimin Enterprises' (and later Trimin Capital Corp.'s) success as a growth partner for mid-sized businesses. Both Trimin Enterprises and Trimin Capital Corp. experienced investment returns that rank highly in comparison to other funds in their category during their years of operation. Mr. Holland left Trimin Capital in 2004, when he launched Krystal Financial Corp., and currently serves as Krystal's President and CEO. Through Krystal's parent company, TMH Capital Corp, Mr. Holland has investments in and is involved as a board member of nine private companies, all of them based in B.C., and in addition to Carmanah, two public companies, Amica Mature Lifestyles Inc. and Hardwoods Distribution Inc. **Principal Occupation for Five Previous Years:** Chief Executive Officer and President of Krystal Financial Corporation (2004 – Present)	December 2, 2013	467,900
James Meekison Director *Toronto, Ontario, Canada*	**Background:** Mr. Meekison is currently Chairman and CEO of Trimin Capital Inc., a Canadian private equity company. Mr. Meekison's career has spanned over 40 years in the investment banking, cable television and private equity industries. He has served as a Director of Nesbitt Thomson Limited, Chairman of Cablecasting Limited, a Canadian cable television company, which he co-founded in 1969, and Chairman and Director of several companies in which he indirectly invested in his career in private equity. He also served as a Director of First Marathon Inc. from 1984 until it was sold in 1999. Mr. Meekison holds an MBA degree from Harvard University and B.A. and M.A. degrees from the University of British Columbia. He is a member of the board of directors of GMP Capital Trust and Pathways to Education Canada. **Principal Occupation for Five Previous Years:** Chief Executive Officer and Executive Chairmen of Trimin Capital Inc. (2004 – Present)	December 2, 2013	2,317,800

Committee members and chairs for the current directors standing for re-election are summarized as follows:

Director	Board of Directors	Audit Committee	Compensation Committee
John Simmons	✓		
Michael Sonnenfeldt	Chair	✓	✓
Peter Berrang	✓	✓	Chair
Terry Holland	✓	Chair	✓
James Meekison	✓		

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.

To the knowledge of Carmanah, no proposed director:

(a) is, as at the date of the Circular, or has been, within ten years before the date of the Circular, a director, CEO or Chief Financial Officer ("**CFO**") of any company (including Carmanah) that:

    (i) was the subject, while the proposed director was acting in the capacity as director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty consecutive days; or

    (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO but which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company;

(b) is, as at the date of this Circular, or has been within ten years before the date of the Circular, a director or executive officer of any company (including Carmanah) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the ten 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; or

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) has been subject to any 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.

Other Business

Management knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to management shall properly come before the said Meeting, the Proxy given pursuant to the solicitation by management will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this compensation discussion and analysis is to provide information about Carmanah's executive compensation objectives and processes and to discuss compensation decisions relating to its named executive officers ("**Named Executive Officers**" or "**NEOs**") listed in the summary compensation table that follows. During its fiscal year ended December 31, 2014, the following individuals were NEOs (as defined in applicable securities legislation and below) of Carmanah, namely:

John Simmons:	CEO
Stuart Williams:	CFO

Report on Executive Compensation

The compensation committee (the "**Compensation Committee**") of the board of directors (the "**Board**") is comprised of three directors, who are considered to be independent as defined under applicable securities legislation. For 2014, the Compensation Committee members consisted of Messrs. Peter Berrang (Committee Chair), Terry Holland and Michael Sonnenfeldt. The Compensation Committee has a written mandate that establishes the committee's purpose and responsibilities. In addition, the Compensation Committee has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties. All Compensation Committee members have direct experience that is relevant to the responsibilities mandated by the Compensation Committee, as further described under *"Corporate Governance Disclosure"*.

The mandate of the Compensation Committee is to review and recommend to the Board, Carmanah's executive compensation policies and programs, for final approval by the Board.

The duties and responsibilities of the Compensation Committee are comprised primarily of the following:

a) determining and approving the compensation of Carmanah's CEO;
b) reviewing and approving compensation for Carmanah's other executive officers;
c) fulfilling the Board's oversight responsibilities with respect to Carmanah's overall compensation policies, plans and programs;
d) overseeing an evaluation of management succession planning; and
e) performing other activities related to Carmanah's compensation plans and structure, including preparing and reviewing any disclosure on executive compensation included in Carmanah's annual information circular in accordance with applicable rules and regulations promulgated by the Canadian provincial securities regulatory authorities.

The Compensation Committee also focused its mandate on the compensation of the CFO, other NEOs and all direct reports of the CEO to ensure that total compensation paid to them is fair and reasonable and consistent with Carmanah's compensation philosophy.

Compensation Objectives and Principles

Compensation plays an important role in achieving short and long-term business objectives that ultimately drives business success in alignment with long-term shareholder goals. The objectives of Carmanah's compensation program in compensating its executive management are: (i) to attract, motivate and retain high caliber executive management who will successfully lead the organization to meet growth and profitability objectives; (ii) to align the interests of executive management with Shareholders' interests and with the execution of Carmanah's business strategy; (iii) to evaluate executive performance on the basis of key financial, managerial and strategic performance measures which closely correlate to the business strategy and long-term shareholder value; and (iv) to tie compensation directly to those measurements, and reward based on achieving and overachieving predetermined objectives.

Compensation Elements

The total compensation package for each NEO was contractually negotiated at time of hire. From time to time, the Compensation Committee reviews compensation to ensure it is meeting the compensation philosophy and objectives as discussed above. The NEO compensation program included four principal components: (i) base salary; (ii) non-equity incentives – consisting of a cash bonus linked to the performance of Carmanah; (iii) equity incentives – consisting of stock options; and (iv) other elements of compensation – consisting of benefits and perquisites.

1. Base Salary - CEO base salary, which forms a part of total compensation, is reviewed and recommended by the Compensation Committee for approval by the Board. Base salaries for NEO besides the CEO, are recommended by the CEO and reviewed and approved by the Compensation Committee.

In determining individual base salaries, management and the Compensation Committee take into consideration data from compensation surveys encompassing high technology companies of similar revenue in British Columbia, individual circumstances that may include the scope of an executive's position, the executive's relevant competencies or experience, and retention risk. The Compensation Committee also takes into consideration the financial performance of Carmanah as well as the individual performance of the executive.

2. Non-equity incentives – the current non-equity incentive, or variable profit sharing plan helps to align shareholder and employee interests. The plan pays out based on the Company's achievement of its profitability targets, more specifically its targeted adjusted earnings before interest, taxes, depreciation, and amortization ("**EBITDA**") for the year. EBITDA is earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA normalizes EBITDA for non-reoccurring or non-cash items, such as stock compensation, non-cash write offs, merger and acquisition costs, and other unusual items. If the target adjusted EBITDA is achieved, the target variable compensation will be paid. If the company overachieves its variable compensation target, up to double the variable compensation target may be paid. Targets and thresholds are set by the board of directors on an annual basis and are adjusted to factor in acquisitions as necessary.

All payments under the plan are discretionary and are subject to approval by the Board of Directors once the year-end financial statements have been approved. For 2014, the Company's target adjusted EBITDA was $1,064K. Actual results achieved were $3,471K.

3. Equity Incentives - the equity incentives of Carmanah's executive compensation program are designed to: (i) align the interests of Carmanah's key employees and its Shareholders; (ii) focus management on developing and successfully implementing the strategy of Carmanah; (iii) foster the retention of key executive management; and (iv) attract high performing, high caliber individuals to Carmanah.

Incentive plans are reviewed by the Compensation Committee annually. Should the Compensation Committee deem a change to the incentive plans is required for future planning purposes, it presents its recommendations to the Board for approval. Any changes to the incentive plans or equity requirements resulting from the Board approved changes that require Shareholder approval would be presented to the Shareholders for approval at the next annual meeting of shareholders.

Generally equity incentives are granted to NEOs at time of hire to comprise part of the total compensation package value, to ensure long-term retention and to align NEOs interests with those of Shareholders. Equity incentives may also be granted in reward for performance or to facilitate specific retention objectives.

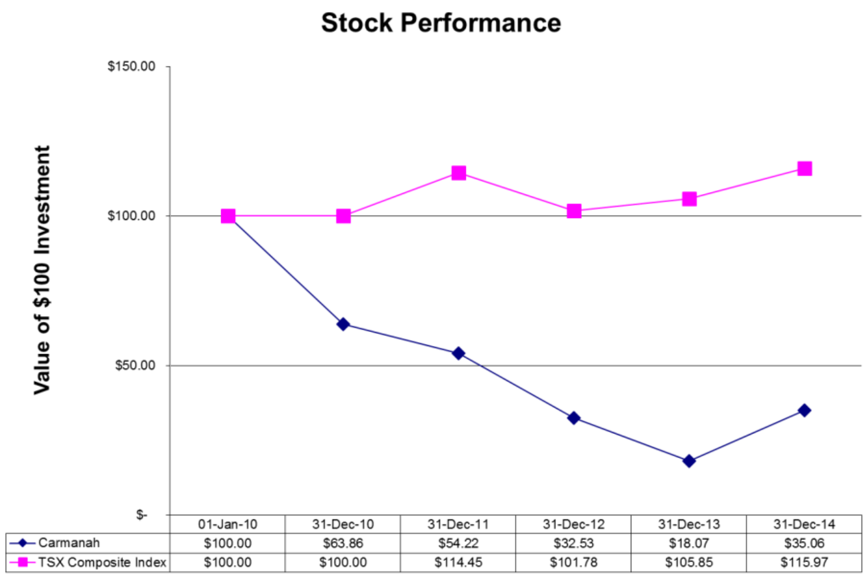
4. Benefits - benefits are comprised of a group benefit plan that includes life insurance, long-term disability, accidental death and dismemberment, dental and extended health coverage. Carmanah pays 100% of the premiums for these benefits, with the exception of long-term disability.

Compensation Benchmarking

Historically the Company has engaged external consultants to review and benchmark the Corporation's board and executive compensation levels and programs. No significant reviews have been completed in the past 2 years, although in December 2014, the Company did engage Mercer to complete a review of executive and board compensation in early 2015. An engagement letter for these services were signed in January 2015 and the Company received a report at the end of March 2015. The fee for these services amounted to approximately $24K (CAD). No other fees were billed or paid to consultants or advisors for services relating to determining compensation for directors or officers.

Shareholder Return Performance Graph

The following graph compares the total cumulative shareholder return for $100 invested in the Carmanah Shares on January 1, 2010 with the cumulative total return of the S&P/TSX Composite Index for the fiscal years ended, December 31, 2010 to December 31, 2014.



The trend shown by the performance graph set forth above represents an overall decline in the cumulative Shareholder return for the five year period up to December 31, 2014, with the net result indicating a 65% decrease in return on investment over the five year period. In the same period, executive compensation dropped between 2010 and 2013, primarily due to a decrease in the number of NEO and reduced value of equity compensation. An increase in 2014 compensation largely reflects an increase in equity compensation.

Summary Compensation Table

The following table (presented in accordance with National Instrument Form 51-102F6 ("**Form 51-102F6**")) sets forth all annual and long term compensation for services in all capacities to Carmanah for the three most recently completed financial years of Carmanah as at December 31, 2014 (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of the CEO and the CFO who acted in such capacity for all or any portion of the most recently completed financial year, and 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 the CFO) as at December 31, 2014 (collectively, NEOs).

Name and Principal Position	**Year**	**Salary ($)**	**Share-based awards ($)**	**Option-based awards ($)[0]**	**Non-equity inventive plan compensation**		**Pension value ($)**	**All other compensation ($)**	**Total Compensation ($)**
					Annual incentive plans ($) Error! Reference source not found.	**Long-term incentive plans ($)**			
John Simmons	2014	250,626	-	472,290	280,000	-	-	-	1,002,916
CEO **Error! Reference source not found.**	2013	104,167	-	205,549	25,000	-	-		334,715
Stuart Williams	2014	122,679	-	103,150	77,760	-	-	-	303,588
CFO **Error! Reference source not found.**	2013	101,666	-	1,386	-	-	-		103,051

(1) The option-based awards represent stock options granted in the covered year. The fair value was determined in accordance with IFRS 2, "Share-based payments" using the Black-Scholes stock option pricing model. This valuation methodology was chosen as it best reflects the value provided to the covered person. The significant assumptions used in Black-Scholes model for stock options granted are provided below.

- Mr. Simmons 2013 option grant – This option-based award was granted on November 29, 2013 consisting of a total of 300,000 stock options which vest over a 4 year period. The grant price equaled the market price (the "**Market Price**") at the time of the grant, which was $1.45. The fair value assigned to these stock options under the Black-Scholes model carried an average of $0.685 an option, an average life of 4.7 years, an average volatility rate of 55.2%, an average risk free rate of 1.64%, and a dividend rate of 0%.
- Mr. Simmons 2014 option grant – This option-based award was granted on November 30, 2014 consisting of a total of 207,546 stock options which vest over a 4 year period. The grant price equaled the Market Price at the time of the grant, which was $2.70. The fair value assigned to these stock options under the Black-Scholes model carried an average of $1.44 an option, an average life of 6.3 years, an average volatility rate of 55.7%, an average risk free rate of 1.4%, and a dividend rate of 0%.
- Mr. Williams 2013 option grant – This option-based award was granted on March 19, 2013 consisting of a total of 1,000 stock options which vest over a 3 year period. The grant price equaled the Market Price at the time of the grant, which was $2.90. The fair value assigned to these stock options under the Black-Scholes model carried an average of $1.41 an option, an average life of 3.5 years, an average volatility rate of 68.5%, an average risk free rate of 1.2%, and a dividend rate of 0%.
- Mr. Williams 2014 option grant – This option-based award was granted on April 10, 2014 consisting of a total of 72,200 stock options which vest over a 3 year period. The grant price equaled the Market Price at the time of the grant, which was $2.50. The fair value assigned to these stock options under the Black-Scholes model carried an average of $1.43 an option, an average life of 6.2 years, an average volatility rate of 60.0%, an average risk free rate of 1.8%, and a dividend rate of 0%.

(2) In 2014, both Mr. Simmons and Mr. Williams earned the right to their maximum allowable bonus under the corporate incentive plan. These amounts were paid out in March of 2015 after the board approved the Company's financial statements. In 2013, Mr. Simmons was paid a bonus of $25,000 associated with the successful closing of the Right offering.

(3) Mr. Simmons joined the board on June 26, 2013. He became CEO on August 1, 2013. During July 2013 he performed consulting services in the lead up to his appointment as CEO. These fees amounted to $16,250 and are not included in the salary figure above. He did not receive any compensation related to his role as a Director.

(4) Mr. Williams took over the role of CFO effective September 12, 2013. His compensation earned as CFO amounted to $35,387.

Summary of Employment Agreements for each Named Executive Officer

The significant terms of each NEOs employment agreement are described below. For a description of the termination and change of control benefits payable by Carmanah for each NEO, see below under the heading "Termination and Change of Control Benefits."

John Simmons, Chief Executive Officer

The compensation of the CEO of Carmanah is paid pursuant to an employment agreement entered into on August 1, 2013, the commencement of his employment. The Compensation Committee established Mr. Simmons' base salary of $250,000, which was pro-rated to reflect the time in the role during the year. Under the Company's annual performance bonus plan (the "**Bonus Plan**"), which provides for a cash payment following the end of Carmanah's fiscal year, based on the achievement of established corporate financial goals and individual performance, for 2014 and beyond, the short-term cash incentive for Mr. Simmons is comprised of a cash incentive targeted to be 50% of his base salary. The cash incentive can increase or decrease relative to over- or under-achievement of performance, however, the maximum payable is 100% of his base salary.

The employment agreement may be terminated by Carmanah with cause by written notice or without cause upon payment of severance as described below under the heading "Termination and Change of Control Benefits." Mr. Simmons may terminate his employment agreement with Carmanah at any time by giving Carmanah at least twelve weeks prior notice.

Stuart Williams, Chief Financial Officer

The compensation of the CFO of Carmanah is currently paid pursuant to the employment agreement entered into on September 12, 2013, which replaced his previous employment agreement of May 14, 2007. The CFO participates in the executive compensation programs described above.

The Compensation Committee established Mr. Williams' base salary of $120,000. Mr. Williams is eligible under the Bonus Plan to cash incentives equal to 30% of his base salary. The cash incentive can increase or decrease relative to over- or under-achievement of performance however, the maximum payable is 60% of his base salary.

The employment agreement may be terminated by Carmanah with cause by written notice or without cause upon payment of severance as described below under the heading "Termination and Change of Control Benefits." Mr. Williams may terminate his employment agreement with Carmanah at any time by giving Carmanah at least 4 weeks prior notice.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of incentive stock options granted to the Named Executive Officers and outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year. No share-based awards, with other than option-like features, have been granted to the Named Executive Officers.

	Option-Based Awards				Share-based Awards		
Name	**Number of Securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market / payout value of share awards not vested [1] ($)**	**Market / payout value of vested share-based awards not paid out or distributed**

							($)
John Simmons	207,546 300,000	2.70 1.45	30-Nov-2024 19-Nov-2020	43,585 438,000	N/A N/A	N/A N/A	N/A N/A
Stuart Williams	72,200 1,000 600	2.50 2.90 5.30	10-Apr-2024 19-Mar-2018 22-Dec-2015	29,602 10 Nil	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A

Value Vested or Earned During the Year

The following table provides details for each NEO for the year ended December 31, 2014.

Name	**Option-based awards – Value vested during the year ($)**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
John Simmons	98,250	Nil	Nil
Stuart Williams	Nil	Nil	Nil

Pension Plan Benefits

Carmanah does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

Deferred Compensation Plans

Carmanah does not maintain any deferred compensation plans.

Termination and Change of Control Benefits

Pursuant to the employment agreements entered into by Carmanah with each NEO, Carmanah is required to make the following payments upon termination (whether voluntary or not), resignation, retirement, change of control or change in the NEO responsibilities.

John Simmons, CEO

Mr. Simmons is entitled to resign at any time by giving Carmanah at least twelve weeks prior notice (which Carmanah may shorten or waive entirely).

Carmanah is entitled to terminate Mr. Simmons' employment agreement at any time during the term with immediate effect upon written notice to Mr. Simmons and payment twelve months base salary and any applicable cash incentive (calculated as total salary payable during the severance period, multiplied by his target performance bonus rate). Non-cash incentives that would have vested to the end of the severance period shall immediately vest, and Mr. Simmons will have 90 days from termination to exercise them.

Upon a change of control under Mr. Simmons' employment agreement in which there is both a change of control of Carmanah and a material and substantial diminution of his duties with respect to management and financial responsibilities resulting within one hundred and twenty days following completion of the change of control, Mr. Simmons shall be entitled to payment of not less than twelve months salary and any applicable cash incentive (calculated as total salary payable during the severance period, multiplied by his target performance bonus rate). In addition, all outstanding non-cash incentives shall immediately vest and may be exercised immediately.

Stuart Williams, CFO

Mr. Williams is entitled to resign at any time by giving Carmanah at least four weeks prior notice (which Carmanah may shorten or waive entirely).

Carmanah is entitled to terminate Mr. Williams' employment agreement at any time during the term with immediate effect upon written notice to Mr. Williams and payment six months base salary and any applicable cash incentive (calculated as total salary payable during the severance period, multiplied by his target performance bonus rate). Non-cash incentives that would have vested to the end of the severance period shall immediately vest, and Mr. Williams will have 90 days from termination to exercise them.

As partial consideration for the foregoing payments, Mr. Williams' employment agreement provides for certain restrictions regarding (1) solicitation of clients/prospective clients and employees/consultants of Carmanah for a period of twelve months, (2) adherence to strictest confidence and trust of the confidential information of Carmanah, and (3) to avoid becoming engaged in a business that is competitive with Carmanah for a period of twelve months from termination.

Mr. Williams has no change of control provisions in his employment contract.

The following table provides, for each of the NEOs, an estimate of the payments payable by Carmanah (or its subsidiaries), assuming that the triggering events described above took place on December 31, 2013 and any incentive targets were met.

Named Executive	*Type of Payment*	*Salary ($)*	*Incentive Payment ($)*	*Vesting of Stock Based Compensation ($)*	*Employee Benefits ($)*	*Total ($)*
John Simmons CEO	Termination without cause	250,000	125,000	-	-	375,000
	Change of Control	250,000	125,000	-	-	375,000
Stuart Williams CFO	Termination without cause	60,000	18,000	-	-	78,000
	Change of Control	-	-	-	-	-

DIRECTOR COMPENSATION

Remuneration of Directors

Carmanah's director compensation is designed to attract and retain the most qualified people to serve on the Board and its committees, to align the interests of the directors with the interests of Shareholders, and to provide appropriate compensation for the risks and responsibilities related to being an effective director.

The Compensation Committee is responsible to review the compensation of the directors following each annual general meeting, and to make recommendations to the board for the compensation for the upcoming term.

Carmanah has a stock option plan (the "**Stock Option Plan**") for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options is to assist Carmanah in compensating, attracting, retaining and motivating the directors of Carmanah and to closely align the personal interests of such persons to that of the Shareholders.

Annual Retainer of Directors

Annual retainers are paid to the members of the Board who are not employees or officers of Carmanah ("**Outside Directors**") on the following basis:

Description	Current Year (January 1, 2014 – December 31, 2014)
Board Chair Retainer	$25,000 per annum
Board Retainer	$20,000 per annum
Committee Chair Retainer: • Audit • Compensation	 $7,500 per annum $5,000 per annum
Committee Member Retainer: • Audit • Compensation	 $3,750 per annum $2,500 per annum

During fiscal 2014, the Company also convened a special committee of disinterested board members to assess the potential acquisition of Sol Inc. The fees for this committee were set as follows: chair retainer of $5,000, and member retainer of $3,750.

Board Compensation Table

During the fiscal year ended December 31, 2014, the following amounts of compensation were paid to Outside Directors (each of whose compensation is disclosed above in the "Summary Compensation Table" above):

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensati on ($)	Total ($)
Peter Berrang(1)	37,500	Nil	Nil	Nil	Nil	Nil	37,500
Michael Sonnenfeldt	52,500	Nil	Nil	Nil	Nil	Nil	52,500
Terry Holland(1)	47,500	Nil	Nil	Nil	Nil	Nil	47,500
James Meekison(1)	25,000	Nil	Nil	Nil	Nil	Nil	25,000

Notes:

(1) Mr. Berrang, Mr. Holland, and Mr. Meekison received compensation of $3,750, $5,000, and $3,750, respectively for their services associated with a Special Committee convened to assess the acquisition of Sol Inc.

Director Share Ownership Guidelines

Directors, along with NEOs and other insiders of the Company, are prohibited from (i) purchasing financial instruments, including prepaid forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Carmanah's securities; (ii) selling, directly or indirectly, Carmanah Shares, if the director does not own or has not fully paid for the Carmanah Shares to be sold; and (iii) directly or indirectly selling a call or buying a put, or similar derivative instrument, in respect of Carmanah Shares.

Incentive Plan Awards

Incentive Plan Awards activity/Outstanding Share-Based Awards and Option-Based Awards

During the year, there has been no activity with respects to share-based or option-based awards for the Company's non-executive board of directors. The Compensation Committee is currently evaluating the potential use of share-based and option-based awards for Board members in the future.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information regarding compensation plans under which equity securities of Carmanah are authorized for issuance, as at December 31, 2014:

Plan Category	**Number of Carmanah Shares to be issued upon exercise of outstanding options, warrants or units (a)**	**Weighted-average exercise price of outstanding options, warrants or units (b)**	**Number of Carmanah Shares remaining available for future issuance under equity compensation plans (excluding those reflected in column (a)) (c)**
Equity compensation plans approved by shareholders:			
2011 Incentive Awards Plan	**1,335,697**		**362,003**
Details:			
Stock Options	1,335,697	$2.36	
Restricted Share Units	Nil	Nil	
Performance Share Units	Nil	Nil	
Total	1,335,697		362,003

There are no equity compensation plans which have not been approved by shareholders.

Incentive Awards Plan

The Board is authorized to grant long term equity based awards to eligible participants ("**Participants**"), including any director, officer, employee or any individual, company or other person engaged in providing services to Carmanah. The equity based awards may include options, share appreciation rights ("**SARs**"), restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**") (collectively referred to as "**Awards**"), that provide different types of incentives, as described below.

The maximum number of Carmanah Shares available for issuance under the Stock Option Plan equals 10% of the aggregate issued and outstanding Carmanah Shares. At December 31, 2014, 10% of the issued and outstanding Carmanah Shares amounted to 1,697,700, with 1,335,697 Carmanah Shares issued or allocated to outstanding Awards under the Stock Option Plan leaving a total of 362,003 available to be issued as additional grants.

Any increase in the total number of issued and outstanding Carmanah Shares will result in an increase in the number of Carmanah Shares issuable under the Stock Option Plan, and any exercises of options will effectively result in a reloading of the number of Carmanah Shares issuable under the Stock Option Plan.

If an outstanding Award for any reason expires or is terminated or cancelled without having been exercised or settled in full, or if Carmanah Shares acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by Carmanah for an amount not greater than the Participant's purchase price, the Carmanah Shares shall again be available for issuance under the Stock Option Plan. Carmanah Shares shall not be deemed to have been issued pursuant to the Stock Option Plan with respect to any portion of an Award that is settled in cash.

Notwithstanding any other granting provision, the aggregate number of Carmanah Shares issuable under the Stock Option Plan for U.S. qualified incentive stock options cannot exceed 750,000 Carmanah Shares, subject to adjustment provisions in the Stock Option Plan and subject to the provisions of section 422 and 424 of the U.S. Internal Revenue Code.

Stock Options

The Board is authorized to grant options under the Stock Option Plan. An option entitles the holder to purchase a Carmanah Share upon payment of the exercise price per Carmanah Share. The exercise price of any option granted under the Stock Option Plan is determined by the Board and in no event shall be less than the Market Price of the Carmanah Shares at the time of the grant.

The Board may determine a vesting schedule for the options, at the time of grant, provided, however, that the options will cease to vest and will expire if a participant ceases to be an eligible person, pursuant to the terms of the Stock Option Plan.

The term of options granted is determined by the Board and specified in the Stock Option Plan pursuant to which such options are granted, provided that the expiry date cannot be later than the date which is the tenth anniversary of the date on which such option is granted. In addition, the term of the options will be extended if the expiry date occurs during or within nine Business Days following the end of a blackout period (the interval of time during which Carmanah determines that one or more Participants cannot trade any securities because they may be in possession of undisclosed material information). In such circumstances, the options will be extended to the date which is 10 Business Days following the end of the blackout period.

Notwithstanding the foregoing, if any Participant who is a U.S. optionee whom a U.S. qualified incentive stock option is to be granted under the Stock Option Plan, and at the time of the grant the participant is an owner of shares possessing more than 10% of the total combined voting power of all classes of Carmanah Shares, then the exercise price per Carmanah Share cannot be less than 110% of the fair market value of a Carmanah Share at the time of grant. A U.S. qualified incentive stock option will terminate and no longer be exercisable no later than five years after the date on which the U.S. qualified incentive stock option was granted. No U.S. qualified incentive stock option may be granted more than 10 years after the date on which the Stock Option Plan is approved by the Shareholders.

Share Appreciation Rights

The Board is authorized to grant SARs to eligible persons pursuant to the terms of the Stock Option Plan. Upon exercise of a SAR, the Participant is entitled to receive an amount equal to the excess of the Market Price of one Carmanah Share on the date of exercise and the grant price of the SAR as determined by the Board, which grant price shall not be less than 100% of the Market Price of one Carmanah Share on the date of grant of the SAR. Such amount is payable in cash or Carmanah Shares as determined by the Board.

The Board may determine a vesting schedule applicable to a grant of SARs, provided, however, that the SARs will cease to vest as at the date upon which a Participant ceases to be an eligible person, as defined in the Stock Option Plan.

The term of a SAR will be determined by the Board and specified in the Award agreement pursuant to which such SAR is granted, provided that the date cannot be later than (i) the date which is the tenth anniversary of the date on which such SAR is granted and (ii) the latest date permitted under the applicable rules and regulations of all regulatory authorities to which Carmanah is subject.

Restricted Share Units

The Board is authorized to issue RSUs pursuant to the terms of the Stock Option Plan. An RSU conditionally entitles the Participant to the delivery of a Carmanah Share at a specified future date, subject to the fulfillment of vesting conditions specified by the Board. Prior to settlement, an RSU carries no voting or other rights associated with share ownership except that a holder of RSUs will be credited with a dividend equivalent (as defined in the Stock Option Plan) in the form of additional RSUs in respect of dividends declared by Carmanah while the RSUs are outstanding. An RSU award may be settled in Carmanah Shares, cash, or in any combination of Carmanah Shares and cash. However, a determination to settle an RSU in whole or in part in cash may be only made by the Board, in its sole discretion. If settled in cash, the cash amount will be based on the Market Price at the time of vesting.

The award agreement in respect of a grant of RSUs will set out the vesting conditions applicable to such RSUs, as determined by the Board, provided however, that all grants of RSUs will vest no later than December 31st of the third calendar year following the grant.

Performance Share Units

The Board is authorized to issue PSUs pursuant to the terms of the Stock Option Plan. PSUs granted under the Stock Option Plan will confer on the holder the conditional right to receive Carmanah Shares, in whole or in part, upon the achievement of certain performance goals during the performance period as the Board determines.

A PSU may be awarded as a bonus or similar payment in respect of services rendered by a Participant for a fiscal year, or as compensation or an incentive for future performance by a Participant. Prior to settlement, a PSU carries no voting or other rights associated with share ownership except that a holder of PSUs will be credited with a dividend equivalent (as defined in the Stock Option Plan) in the form of additional PSUs in respect of dividends declared by Carmanah while the PSUs are outstanding. A PSU award may be settled in Carmanah Shares, cash, or in any combination of Carmanah Shares and cash. However, a determination to settle a PSU in whole or in part in cash may be only made by the Board, in its sole discretion. If settled in cash, the cash amount will be based on the Market Price at the time of vesting. Subject to the terms of the Stock Option Plan, the performance goals to be achieved during any performance period, the length of any performance period, the PSUs and any other terms and conditions of the performance award will be determined by the Board and set out in the applicable award agreement.

Deferred Share Units

The Board is authorized to issue DSUs pursuant to the terms of the Stock Option Plan. A DSU is a right to receive, on a deferred payment basis, a Carmanah Share or the cash equivalent of a Carmanah Share upon the occurrence of certain redemption events, as described below. DSUs may be granted to any eligible person at the discretion of the Board or Participants may elect to receive in DSUs a specified percentage of their remuneration (in the case of directors) or salary, bonus or any other compensation (in the case of other Participants).

Prior to settlement, a DSU carries no voting or other rights associated with share ownership except that a holder of DSUs will be credited with a dividend equivalent (as defined in the Stock Option Plan) in the form of additional DSUs in respect of dividends declared by Carmanah while the DSUs are outstanding. A DSU shall only be redeemed upon the occurrence of (i) the death of the participant, (ii) the retirement of the Participant, (iii) the termination of a participant who is not a director, or (iv) a change of control, unless the Board, in good faith, determines that the nature of the transaction(s) resulting in the change of control are such that it would not be appropriate to justify redemption of the DSU. A DSU award may be settled in Carmanah Shares, cash, or in any combination of Carmanah Shares and cash. However, a determination to settle a DSU in whole or in part in cash may only be made by the Board, in its sole discretion.

Maximum Grant to Insiders

The aggregate number of Carmanah Shares issuable to Participants that are insiders, pursuant to the Stock Option Plan or when combined with all other previously established and outstanding or proposed share compensation arrangements, cannot exceed 10% of the total number of issued and outstanding Carmanah Shares (on a non-diluted basis) at any time and within any one year period. The Carmanah Shares issued pursuant to an entitlement granted prior to the grantee becoming an insider will be excluded in determining the number of Carmanah Shares issuable to insiders.

Maximum Grant to Independent Directors

The aggregate number of Carmanah Shares issuable to any one Participant that is an independent director of Carmanah, pursuant to the Stock Option Plan or when combined with all other previously established and outstanding or proposed share compensation arrangements, cannot exceed 1% of the total number of issued and outstanding Carmanah Shares, excluding Carmanah Shares reserved for issuance to such Participant at a time when such Participant was not an independent director of Carmanah.

Maximum Grant to Any One Participant

The aggregate number of Carmanah Shares issuable to any one Participant, pursuant to the Stock Option Plan or when combined with all other previously established and outstanding or proposed share compensation arrangements, cannot exceed 5% of the then issued and outstanding Carmanah Shares, which as of April 2, 2015 represents 848,850 Carmanah Shares.

Causes of Cessation

As specified in the Stock Option Plan, in the event the Participant ceases to be an eligible person for any reason, other than the death of the Participant or the termination of the Participant for cause, Awards will expire on the date which is 90 days after the date of termination (specifically without regard to any period of reasonable notice or any salary continuance) of the Participant's directorship, active employment or active engagement, as applicable, with Carmanah or its Affiliates, or such earlier or later date as the Board may determine.

In the event of the termination of the Participant as a director, officer, employee or consultant for cause, the Awards will expire on the date of notice of such termination, specifically without regard to any period of reasonable notice or any salary continuance.

In the event of the death of a Participant prior to: (i) the Participant ceasing to be an eligible person (which, in the case of an employee or consultant, will be the date on which active employment or engagement, as applicable, terminates, specifically without regard to any period of reasonable notice or any salary continuance); or (ii) the date on which the Award, but for (i), would have expired pursuant to the preceding paragraph, the Awards will expire on the date which is one year after the date of death of such Participant or such earlier or later date as the Board may determine.

Assignability

Awards granted under the Stock Option Plan are non-transferable and non-assignable to anyone other than to a "permitted assign" as defined in the Stock Option Plan.

Procedure for Amending

The Board has the right at any time to amend the Stock Option Plan or any award agreement under the Stock Option Plan provided that for the following amendments, Shareholder approval has been obtained by ordinary resolution: (i) increase the number of Carmanah Shares, or rolling maximum percentage, reserved for issuance under the Stock Option Plan; (ii) reduce the exercise price per Carmanah Share under any option or SAR granted to an insider or cancel any option or SAR granted to an insider and replace such option or SAR with an option or SAR with a lower exercise price per Carmanah Share; (iii) extend the term of an Award beyond its original expiry time; (iv) increase the limit on the participation by independent directors in the Stock Option Plan; or (v) permit an Award to be transferable or assignable to any person other than in accordance with the Stock Option Plan.

Shareholder approval is not required for any amendments to the Stock Option Plan other than those described above, including amendments of a clerical nature, amendments to reflect any regulatory authority requirements (including those of the Exchange), amendments to vesting provisions of an Award, amendments to the expiry date of an Award so long as such amendments do not extend the term of the Awards past the original date of expiration, and any amendments which provide for or modify a cashless exercise feature with respect to an Award so long as the feature provides for the full deduction of the number of underlying Carmanah Shares from the total number of Carmanah Shares subject to the Stock Option Plan.

Financial Assistance

Carmanah will not provide financial assistance to Participants to facilitate the purchase of Carmanah Shares upon the exercise of stock options granted under the Stock Option Plan.

Other Material Information

Appropriate adjustments to the Stock Option Plan and to Awards granted thereunder will be made by the Board to give effect to adjustments in the number and type of Carmanah Shares (or other securities or other property) resulting from subdivisions, consolidations, substitutions, or reclassifications of Carmanah Shares, payment of stock dividends or other changes in Carmanah's capital or from a merger and acquisition transaction. In the event of any merger, acquisition, amalgamation, arrangement or other scheme of reorganization that results in a change of control, the Board will, in an appropriate and equitable manner: (a) determine any adjustment to the number and type of Carmanah Shares (or other securities or other property) subject to outstanding Awards; (b) determine the number and type of Carmanah Shares (or other securities or other property) subject to outstanding Awards; (c) determine the purchase price or exercise price with respect to any Award, provided, however, that the number of Carmanah Shares covered by any Award or to which such Award relates is always a whole number; (d) determine the manner in which all outstanding Awards granted under the Stock Option Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such Awards, the time for exercise of such rights by the Participants, the time for the fulfillment of any conditions or restrictions such exercise, and the time for the expiry of such rights; (e) offer any Participant the opportunity to obtain a new or replacement Award over any securities into which the Carmanah Shares are changed or are convertible or exchangeable, on a basis proportionate to the number of Carmanah Shares under the existing Award and the exercise price (and otherwise substantially upon the terms of the option being replaced, or upon terms no less favorable to the Participant) and; (f) commute for or into any other security or any other property or cash, any Award that is still capable of being exercised, upon giving to the Participant to whom the Award has been granted at least 30 days written notice of its intention to commute the options, and during such period of notice, the Award, to the extent it has not been exercised, can be exercised by the Participant without regard to any vesting conditions attached thereto, and on the expiry of such period of notice, the unexercised portion of the options will lapse and be cancelled.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former directors, executive officers or employees of Carmanah, nor any proposed nominee for election as a director of Carmanah, or any associate or affiliate of any one of them, at any time since the beginning of the fiscal year ended December 31, 2014, is or was indebted to: (a) Carmanah or any of its subsidiaries; or (b) any other entity where the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Carmanah or any of its subsidiaries pursuant to a securities purchase program or otherwise.

AUDIT COMMITTEE OF CARMANAH

For more information concerning the Audit Committee and its members, see the Section entitled "Audit Committee" in Carmanah's Annual Information Form for the year ended December 31, 2014 (available at www.sedar.com).

A copy of Carmanah's Audit Committee Charter is appended to Schedule "A".

CORPORATE GOVERNANCE DISCLOSURES

The following disclosure on Carmanah's corporate governance practices follows the disclosure requirements found in National Instrument 58-101 F1 - *Corporate Governance Disclosure* ("NI 58-101 F1")

Board of Directors

The Board is responsible for supervising the management of the business and affairs of Carmanah.

(a) Disclose the identity of directors who are independent.

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with Carmanah. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with Carmanah. The nominees for director at the Meeting who are considered independent are: Michael Sonnenfeldt, James Meekison, Terry Holland, and Peter Berrang.

(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.

John Simmons, by virtue of the fact that he is the CEO of Carmanah, is not considered independent.

(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board of Directors (the Board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.

A majority of the nominees for director at the Meeting are independent directors.

(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following nominee directors also serve as directors of the following reporting issuers:

James Meekison
GMP Capital Inc.

Terry Holland
Amica Mature Lifestyles Inc.
Hardwoods Distribution Inc.

(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held during the preceding 12 months. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.

Each Board meeting has, as a matter of course, a non-management discussion at which only independent directors are present. There were a minimum of 4 such meetings of the 2014 Board in the preceding 12 months.

(f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent direct.

Michael Sonnenfeldt, incumbent Chairman of the Board, is an independent director. The Chairman of the Board plays a critical role on the Board by leading the Board in its management and supervision of the business of Carmanah. The Chairman of the Board manages the affairs of the Board, including overseeing the proper constitution of the Board and its effective operation, independent of management.

(g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.

In 2014, all directors were present for all meetings of the Board.

Board Mandate

Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.

The Board’s written mandate is disclosed on the website of Carmanah (www.carmanah.com).

Position Descriptions

(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board has a formal written position in place for the Chairman of the Board, which is available on Carmanah’s website at www.carmanah.com. There is no formal written position for the Chairman of the Audit Committee and the Compensation Committee. However, each of the Audit Committee and Compensation Committee have a formal Charter which includes the role and responsibilities of each respective Committee. Copies of the Audit Committee and Compensation Committee Charters are available on Carmanah’s website at www.carmanah.com.

(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description. Briefly describe how the Board delineates the role and responsibilities of the CEO.

The Board has a written position description for the CEO, a copy of which is available on Carmanah’s website at www.carmanah.com.

Orientation and Continuing Education

(a) Briefly describe what measures the Board takes to orient new directors regarding:

i. the role of the Board, its committees and its directors; and

When possible new nominees for the Board are invited to attend and observe meetings of the Board prior to appointment as directors. They also observe the workings of the two standing committees. Each new Board member is given a binder containing the Board mandate and its policies and procedures.

ii. the nature and operation of the issuer's business

New Board members spend considerable time with the CEO to discuss the business mission, vision, strategies, and to gain a general understanding about the nature of its operations. The Board will also invite prospective new Board members to attend some of its Board meetings as a guest in order to meet the other directors, and to get further understanding of the business from the Board perspective.

(b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary for them to meet their obligations as directors.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. To facilitate ongoing education, Board members are encouraged to communicate with management and the auditors, to keep themselves current with industry trends and developments and changes in legislation with Carmanah’s assistance, and to observe Carmanah’s operations first-hand. Management provides quarterly updates on internal controls compliance, investor perspectives, update on strategic context and deployment. Management spends one full day per year delivering a strategic update that includes competitive environment, technological and industry developments, regulatory developments and other key components.

Ethical Business Conduct

(a) Disclose whether or not the Board has adopted a written code for its directors, officers and employees.

The Board has adopted a written code of conduct (the “**Code of Conduct**”) for Carmanah. New employees, officers and directors are required to confirm in writing that they have read and understood the Code of Conduct. The Board has adopted a whistleblower policy (the “**Whistleblower Policy**”) which provides employees with the ability to report, on a confidential and anonymous basis, any violations within our organization including (but not limited to), falsification of financial records, unethical conduct, harassment or theft. The Board believes that providing a forum for employees, officers and directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.

The Board also has adopted an insider trading policy (the "**Insider Trading Policy**") to govern the trading of shares by directors, officers and employees of Carmanah.

i. disclose how an interested party may obtain a copy of the written code;

The Code of Conduct, the Whistleblower Policy and the Insider Trading Policy are available on Carmanah's web site (www.carmanah.com).

ii. describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board ensures compliance with its code; and

The Code of Conduct is provided to all employees for review and acknowledgement, at time of hire and generally at the beginning of the calendar year. In March 2013, Carmanah adopted an updated Code of Conduct and concurrently all employees and the Board were required to acknowledge the revised Code of Conduct at that time. Any waiver of the Code of Conduct may only be made by the Board and will be disclosed in accordance with applicable laws.

To ensure awareness by employees of the whistleblower policy, it is discussed with employees at time of hire and is posted around the office for review by existing employees.

iii. provide a cross-reference to any material change report(s) filed within the preceding 12 months that pertains to any conduct of a director or executive officer that constitutes a departure from the code

None.

(b) Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Directors with an interest in a material transaction under discussion by the Board are required to declare their interest and abstain from voting on the transaction.

(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.

The Board endeavors to ensure that the ethics of Carmanah take precedence over any other consideration in Carmanah's decision-making process. Beyond normal employee training and education components of the Company code of conduct and anti-corruption policies, members of the Board regularly partake in all staff meeting where open and frank discussions are encouraged. .

Nomination of Directors

(a) Describe the process by which the Board identifies new candidates for Board nomination.

The whole Board identifies gaps in the Board's areas of competence and seeks to identify new candidates for Board nomination to address those deficiencies.

(b) Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.

Due to the small size of the Board, the majority of which is independent, the Board is able to deal with recruitment of new members as a whole, and as such the whole Board acts as a nominating committee and deals with nominations.

Recruitment of new directors generally results from recommendations made by directors, management and Shareholders and candidates are assessed for their skills, expertise, experience, independence and other factors.

(c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

As noted above, the Board does not have a separate formal nominating committee. The entire Board comprises a nominating committee, and as a whole deals with nominations, voting and approval of accepted nominees.

Compensation

(a) Describe the process by which the Board determines the compensation for your company's directors and officers.

Compensation packages for Board positions and committees are based upon the degree of responsibility and accountability borne by the role. The Compensation Committee makes recommendations to the Board for total compensation packages, which are reviewed and approved by the Chairman of the Board.

(b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.

The Compensation Committee during the 2014 term was composed of three independent directors: Peter Berrang, Terry Holland and Michael Sonnenfeldt.

(c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.

The Compensation Committee is responsible for recommending to the Board human resources and compensation policies and guidelines for application to Carmanah, and for implementing and overseeing human resources and compensation policies approved by the Board. In particular, the Committee's compensation duties are: (i) determining and approving the compensation of Carmanah's CEO; (ii) reviewing and approving compensation for Carmanah's other executive officers; (iii) fulfilling the Board's oversight responsibilities with respect to Carmanah's overall compensation policies, plans and programs; (iv) overseeing an evaluation of management succession planning; and (v) performing other activities related to Carmanah's compensation plans and structure, including preparing and reviewing any disclosure on executive compensation included in Carmanah's annual information circular in accordance with applicable rules and regulations promulgated by the Canadian provincial securities regulatory authorities.

Other Board Committees

If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

None, other than as disclosed above.

Assessments

Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that it, its committees, and individual directors are performing effectively.

The Board satisfies itself that the Board, its committees, and its individual directors are performing effectively by conducting informal assessments from time to time.

Director Term Limits and Diversity within the Board and Executive Management

Under recent amendments to NI 58-101F1, the Company is required to disclose additional information about its governance practices surrounding diversity and term limits. More specifically, the Company is required to disclose:

- term limits on its Board or other mechanisms of Board renewal;
- whether the Board has adopted written policy relating to the identification and nomination of women directors;
- how the Board considers the level of representation of women on the Board and executive positions;
- whether the Board has adopted a target regarding women on the Board or in executive position; and
- the number of women on the Board or in executive positions.

At present, there are no women on the Board or in an executive position, nor does the Board have a written policy pertaining to Board term limits, board renewal mechanisms, the identification of women for the Board or executive positions or any associated targets. The Board is in the process of developing a policy to cover these matters and in the interim is considering these factors while dealing with nominations and appointments. The Company will have one women on its executive team, with Tammy Neske joining as Chief Operating Officer in mid-April 2015.

OTHER INFORMATION

Interest of Informed Persons in Material Transactions

Except as otherwise disclosed herein, no “informed person” (as defined in National Instrument 51-102), proposed director of Carmanah or any associate or affiliate of an informed person or proposed director of Carmanah has had or has any material interest in any transaction since the beginning of Carmanah’s most recently completed fiscal year, or in any proposed transaction, which has materially affected or would materially affect Carmanah or its subsidiaries.

Additional Information

Additional information relating to Carmanah may be found on SEDAR at www.sedar.com. Financial information is provided in Carmanah’s comparative financial statements and management’s discussion and analysis for its most recently completed financial year. Shareholders may obtain copies of Carmanah’s financial statements and management’s discussion and analysis on SEDAR or by contacting Carmanah by email at investors@carmanah.com, or upon request made to the attention of the Chief Financial Officer of Carmanah at 250 Bay Street, Victoria, BC, Canada, V9A 3K5.

Approval

The contents of this Circular and the sending thereof to the shareholders of Carmanah have been approved by the directors of Carmanah.

DATED at Victoria, British Columbia this 2th day of April, 2015.

By order of the Board of Directors

"John Simmons"

John Simmons
Chief Executive Officer

SCHEDULE "A"
Audit Committee Charter of Carmanah

I. PURPOSE

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Carmanah Technologies Corporation (the "**Company**") shall be to act on behalf of the Board in fulfilling the Board's oversight responsibilities with respect to: (i) the Company's corporate accounting, financial reporting practices and audits of financial statements; (ii) the Company's systems of internal accounting and financial controls; (iii) the quality and integrity of the Company's financial statements and reports; and (iv) the qualifications, independence and performance of any firm or firms of certified public accountants or independent chartered accountants engaged as the Company's independent outside auditors (the "**Auditors**").

II. COMPOSITION AND MEETINGS

Composition. The Committee shall consist of at least three members of the Board. Each member shall meet the financial literacy requirements of the regulatory agency as may from time to time apply to the Company, including the Toronto Stock Exchange and the rules and regulations of the Canadian provincial and federal securities regulatory authorities, in all cases as may be modified or supplemented (collectively, the "**Rules**"), subject to any exceptions or exemptions permitted by the Rules. Each member shall meet such other qualifications for membership on an audit committee as are established from time to time by the Rules. The members of the Committee shall be appointed by and serve at the discretion of the Board. Vacancies occurring on the Committee shall be filled by the Board. The Committee's Chair shall be designated by the Board, or if it does not do so, the Committee members shall elect a Chair by vote of a majority of the full Committee.

Meetings. The Committee will hold at least four (4) regular meetings per year and additional meetings as the Committee deems appropriate. Meetings may be called by the Chairperson of the Committee or the Chairman of the Board.

III. MINUTES AND REPORTS

Minutes of each meeting will be kept and distributed to each member of the Committee, members of the Board who are not members of the Committee and the Secretary of the Company. The Chairperson of the Committee will report to the Board from time to time, or whenever so requested by the Board.

IV. AUTHORITY

The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder.

The Committee shall have authority to retain, and set and pay the compensation for, at the Company's expense, advice and assistance from internal and external legal, accounting or other advisors or consultants as it deems necessary or appropriate in the performance of its duties. The Company shall make available to the Committee all funding necessary for the Committee to carry out its duties, including, without limitation, the payment of such expenses. The Committee shall have authority to require that any of the Company's personnel, counsel, Auditors or investment bankers, or any other consultant or advisor to the Company attend any meeting of the Committee or meet with any member of the Committee or any of its special legal, accounting or other advisors and consultants.

V. RESPONSIBILITIES

The operation of the Committee will be subject to the provisions of the articles of the Company, the *Business Corporations Act* (British Columbia) and the Rules, each as in effect from time to time.

The Auditors shall report directly to the Committee. The Committee shall oversee the Company's financial reporting process on behalf of the Board. The Committee's functions and procedures should remain flexible to address changing circumstances most effectively.

To implement the Committee's purpose, the Committee shall, to the extent the Committee deems necessary or appropriate, be charged with the following functions and processes with the understanding, however, that the Committee may supplement or (except as otherwise required by applicable laws or rules) deviate from these activities as appropriate under the circumstances:

1. Evaluation and Recommendation to the Board. To evaluate the performance of the Auditors, to assess their qualifications (including their internal quality-control procedures and any material issues raised by that firm's most recent internal quality-control or peer review or any investigations by regulatory authorities) and to recommend to the Board: (a) the Auditors to be presented to the Company's shareholders for appointment for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and (b) the compensation of the Auditor.

2. Approval of Audit Engagements. Subject to the appointment of the Auditors by the Company's shareholders, to determine and approve engagements of the Auditors, prior to commencement of such engagement, to perform all proposed audit, review and attest services, including the scope of and plans for the audit, the compensation to be paid to the Auditors, which approval may be pursuant to preapproval policies and procedures, including the delegation of preapproval authority to one or more Committee members so long as any such preapproval decisions are presented to the full Committee at the next scheduled meeting.

3. Approval of Non-Audit Services. To determine and approve engagements of the Auditors, prior to commencement of such engagement (unless in compliance with exceptions available under applicable laws and rules related to immaterial aggregate amounts of services), to perform any proposed permissible non-audit services, including the scope of the service and the compensation to be paid therefor, which approval may be pursuant to preapproval policies and procedures established by the Committee consistent with applicable laws and rules, including the delegation of preapproval authority to one or more Committee members so long as any such preapproval decisions are presented to the full Committee at the next scheduled meeting.

4. Audit Partner Rotation. To monitor the rotation of the partners of the Auditors on the Company's audit engagement team as required by applicable laws and rules.

5. Auditor Independence. At least annually, to receive and review written statements from the Auditors delineating all relationships between the Auditors and the Company, to consider and discuss with the Auditors any disclosed relationships and any compensation or services that could affect the Auditors' objectivity and independence, and to assess and otherwise take appropriate action to oversee the independence of the Auditors.

6. Audited Financial Statement Review. To review, upon completion of the audit, the Company's financial statements, including the related notes and the management's discussion and analysis of financial condition and results of operations, prior to the same being filed with applicable regulatory authorities and to recommend whether or not such financial statements and management's discussion and analysis of financial condition and results of operations should be approved by the Board.

7. Annual Audit Results. To discuss with management and the Auditors the results of the annual audit, including the Auditors' assessment of the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments and estimates (including material changes in estimates), any material audit adjustments proposed by the Auditors and immaterial adjustments not recorded, the adequacy of the disclosures in the financial statements and any other matters required to be communicated to the Committee by the Auditors under promulgated auditing standards.

8. Quarterly Results. To discuss with management and the Auditors the results of the Auditors' review of the Company's quarterly financial statements, including the related notes and the management's discussion and analysis of financial condition and results of operations prior to the same being filed with applicable regulatory authorities, any material audit adjustments proposed by the Auditors and immaterial adjustments not recorded, the adequacy of the disclosures in the financial statements and any other matters required to be communicated to the Committee by the Auditors under promulgated auditing standards and to recommend whether or not such financial statements and management's discussion and analysis of financial condition and results of operations should be approved by the Board.

9. Annual and Interim Financial Press Releases. Review with management annual and interim financial press releases before the Company publicly discloses this information.

10. Accounting Principles and Policies. To review with management and the Auditors significant issues that arise regarding accounting principles and financial statement presentation, including critical accounting policies and practices, alternative accounting policies available under IFRS related to material items discussed with management and any other significant reporting issues and judgments.

11. Risk Assessment and Management. To review and discuss with management and the Auditors, as appropriate, the Company's guidelines and policies with respect to risk assessment and risk management, including the Company's major financial risk exposures, including the Company's investment and hedging policies, and the steps taken by management to monitor and control these exposures.

12. Management Cooperation with Audit. To review with the Auditors any significant difficulties with the audit or any restrictions on the scope of their activities or access to required records, data and information, significant disagreements with management and management's response, if any.

13. Management Letters. To review with the Auditors and, if appropriate, management, any management or internal control letters issued or, to the extent practicable, proposed to be issued by the Auditors and management's response, if any, to such letter, as well as any additional material written communications between the Auditors and management.

14. Disagreements Between Auditors and Management. To review with the Auditors and management any conflicts or disagreements between management and the Auditors regarding financial reporting, accounting practices or policies.

15. Internal and Financial Reporting Controls. To confer with the Auditors and with the management of the Company regarding the scope, adequacy and effectiveness of internal financial reporting controls in effect including any special audit steps taken in the event of material control deficiencies. To review with the Auditors and with the management of the Company the progress and findings of their efforts related to the documentation, assessment and testing of internal controls related to compliance with the Rules.

16. Separate Sessions. Periodically, to meet in separate sessions with the Auditors and management to discuss any matters that the Committee, the Auditors or management believe should be discussed privately with the Committee.

17. Complaint Procedures. To establish procedures, when and as required by applicable laws and rules, or as otherwise deemed appropriate by the Committee, for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

18. Regulating and Accounting Initiatives. To review with counsel, the Auditors and management, as appropriate, any significant regulatory or other legal or accounting initiatives or matters that may have a material impact on the Company's financial statements, compliance programs and policies if, in the judgment of the Committee, such review is necessary or appropriate.

19. Related Party Transactions. To review and approve related-party transactions and review other issues arising under the Company's Code of Conduct or similar policies as required by the Rules.

20. **Investigations.** To investigate any matter brought to the attention of the Committee within the scope of its duties if, in the judgment of the Committee, such investigation is necessary or appropriate.

21. **Management Information Circular.** If required, to review the report required by regulatory authorities to be included in the Company's annual management information circular or other regulatory filing.

22. **Annual Charter Review.** To review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

23. **Report to Board.** To report to the Board with respect to material issues that arise regarding the quality or integrity of the Company's financial statements, the performance or independence of the Auditors or such other matters as the Committee deems appropriate from time to time or whenever it shall be called upon to do so.

24. **Other Responsibilities.** Perform such other functions as may be assigned by law, by the Company's articles or by the Board.

It shall be management's responsibility to prepare the Company's financial statements and periodic reports and the responsibility of the Auditors to audit those financial statements. It is not the duty of the Committee to (1) plan or conduct audits; (2) determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles; (3) to resolve disagreements, if any, between management and the outside auditors; or (4) to assure compliance with laws and regulations and the Company's policies generally. Furthermore, it is the responsibility of the Chief Executive Officer and senior management to avoid and minimize the Company's exposure to risk, and while the Committee is responsible for reviewing with management the guidelines and policies to govern the process by which risk assessment and management is undertaken, the Committee is not the sole body responsible. The Auditors shall be accountable to the Committee as representatives of the shareholders.