

ADVANTEX MARKETING INTERNATIONAL INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting of shareholders (the “**Meeting**”) of ADVANTEX MARKETING INTERNATIONAL INC. (the “**Company**”) will be held on February 28, 2018, at 11:00 am (Toronto time) at the office of the Company’s general counsel Miller Thomson LLP, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1.

The purpose of the Meeting is:

1. to present the annual report and audited financial statements of the Company for the fiscal year ended June 30, 2017;
2. to elect directors;
3. to appoint auditors;
4. to approve restricted share unit plan; and
5. to transact such other business as may properly be brought before the Meeting.

As described in the notice and access notification mailed to shareholders of the Company, the Company has decided to deliver this information circular by posting it to the website (www.meetingdocuments.com/astca/ADX). The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and the Company’s printing costs. This information circular will also be available on SEDAR at www.sedar.com. **Shareholders who wish to receive paper copies of the information circular may request copies (at no cost) by calling toll-free at 1-888-433-6443 or by emailing fulfilment@astfinancial.com prior to February 14, 2018.**

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting, or any adjournment thereof, in person are requested to date, sign and return the accompanying form of proxy or VIF for use at the Meeting or any adjournment thereof. To be effective, the enclosed form of proxy or VIF must be returned in the enclosed postage prepaid envelope. Registered holders can also deliver their proxy to the Company’s registrar and transfer agent, AST Trust Company by mail to P.O. Box 721, Agincourt, ON, Canada, M1S 0A1, or by hand to 1 Toronto Street, Suite 1200, Toronto, Ontario, or by fax to 416-368-2502 / toll-free 1-866-781-3111 or by email at proxyvote@astfinancial.com, no later than 11:00 am (Toronto time) on Monday, February 26, 2018 where there is no adjournment or postponement of the Meeting.

DATED at Markham, Ontario

January 19, 2018

BY ORDER OF THE BOARD OF DIRECTORS

“Kelly E. Ambrose”

President and Chief Executive Officer

ADVANTEX MARKETING INTERNATIONAL INC.

600 Alden Road, Suite 606
Markham, Ontario, L3R 0E7

**INFORMATION CIRCULAR
AS AT JANUARY 16, 2018**

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF ADVANTEX MARKETING INTERNATIONAL INC. (the “**Company**”) of proxies to be used at the Annual and Special Meeting of Shareholders of the Company (the “**Meeting**”) to be held at the office of the Company’s general counsel Miller Thomson LLP, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, Ontario, M5H 3S1 on Wednesday, February 28, 2018, at 11:00 am (Toronto time) and at any adjournment or postponement thereof for the purposes set forth in the enclosed Notice of Meeting. Proxies will be solicited primarily by mail and may also be solicited personally or by telephone by the directors and/or officers of the Company at nominal cost. The cost of solicitation by management will be borne by the Company.

The Company may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting shares of the Company (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of the Notice of Meeting, this Information Circular and the voting instruction form (“VIF”) or form of proxy (collectively, the “**Meeting Materials**”) to the beneficial owners of such shares. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

MATTERS TO BE ACTED UPON

1. ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The 2017 annual report of the Company, including the consolidated financial statements for the fiscal year ended June 30, 2017 and the report of the auditors thereon, will be submitted to the Meeting.

The consolidated financial statements and the report of the auditors is available under the Company’s profile on www.sedar.com.

2. ELECTION OF DIRECTORS

The board of directors of the Company (the “**Board of Directors**” or “**Board**”) currently can consist of a minimum of three (3) and a maximum of fifteen (15) directors. The number of directors to be elected at the Meeting has been fixed by the Board at three (3) and accordingly, three (3) directors are to be elected at the Meeting. The composition, responsibilities, and duties of the Board are described in its Charter, which is set out as Exhibit “A” hereto.

The following table and the notes thereto state the names of all the persons proposed to be nominated by management for election as directors, all other positions and offices with the Company now held by them, their principal occupations or employments, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

Name, Office and Jurisdiction of Residence⁽¹⁾	Director Since	No. of Voting Securities Owned, Controlled or Directed as at January 16 , 2018⁽²⁾
Kelly E. Ambrose ⁽⁴⁾⁽⁵⁾ President, Chief Executive Officer, Secretary and Director Ontario, Canada	January 26, 2006	88,778,000 common shares
William H. Polley ⁽³⁾⁽⁴⁾⁽⁵⁾ Director Ontario, Canada	November 21, 2002	5,846,450 common shares
Marc B. Lavine ⁽³⁾⁽⁵⁾ Director Paris, France	December 18, 2013	66,769,000 common shares

Notes:

(1) *The principal occupations of each of the nominees during the last five (5) years are as set forth below:*

Kelly E. Ambrose has been the President of the Company since October 19, 2005, Chief Executive Officer of the Company since December 5, 2006, and Secretary since September 24, 2009. Mr. Ambrose holds a Bachelor of Commerce from the University of Saskatchewan.

William H. Polley is the Chief Financial Officer of the Martini Group of Companies since 1998. Mr. Polley is a Chartered Accountant. CPA, CA.

Marc B. Lavine holds an Honours degree in Business Administration from the Richard Ivey School of Business at the University of Western Ontario (1991) where he received the gold medal for top student in his class. Mr. Lavine is Chairman, Chief Executive Officer and Director of Exclamation Investments Corporation which was founded by Mr. Lavine and is focused on entrepreneurial investment and business creation activities. Mr. Lavine is also co-founder of several businesses including: Points International Ltd., a global leader in loyalty currency management (NASDAQ:PTS); The Chrysalis Capital Group Inc., an entrepreneurial finance company focused on the public listings of corporations on the TSX Venture Exchange; Public Inc., a Toronto-based social purpose agency and innovation lab; LudWin, a leading sports betting operator in Africa and Common Cents, a social business and platform that partners cause marketing and giving with e-commerce. Mr. Lavine created Exclamation Foundation (2007) in Canada and France in order to tackle key social issues in the arts and environment and also focus on impact investing.

(2) *The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.*

(3) *Member of the Compensation and Governance Committee.*

(4) *Member of the Audit Committee.*

(5) *At date hereof, the following nominees held, controlled or directed control over 9% amended and restated non-convertible debenture ("Debenture") issued by the Company in December, 2017. The Debenture were issued as part of the restructuring the Company completed and announced on December 22, 2017. The significant terms of the Debenture are provided in the Company's news release of December 22, 2017 which is available under the Company's profile on www.sedar.com.*

<u>Name</u>	<u>Principal Amount</u> <u>9% Amended and Restated Non-Convertible</u> <u>Debenture</u>
<i>Kelly Ambrose</i>	<i>\$ 500,000</i>
<i>William Polley</i>	<i>\$ 50,000</i>
<i>Marc Lavine</i>	<i>\$ 500,000</i>

The term of office of each director will be from the date of the Meeting at which he or she is elected until the next annual meeting; or until his or her successor is elected or appointed.

Corporate Cease Trade Orders or Bankruptcies

Other than Marc Lavine, who was a director and the Chief Executive Officer and Chief Financial Officer of Exclamation Investments Corporation on September 2, 2016, when the Ontario Securities Commission issued a cease trade order for failure to file financial statements, management's discussion

and analysis and certification of filings as required by National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* for the interim period ended June 30, 2016, no proposed director of the Company or personal holding company of such person is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Corporate Bankruptcies

No proposed director of the Company is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No proposed director of the Company or any personal holding company of such person has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director of the Company or any personal holding company of such person has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES

IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

3. APPOINTMENT OF AUDITORS

At the Meeting, shareholders will be asked to appoint BDO Canada LLP to hold office as the Company's auditors until the close of the next annual meeting of shareholders and to authorize the directors of the Company to fix the auditors remuneration. BDO Canada LLP are the current auditors of the Company. BDO Canada LLP was first appointed on July 4, 2013.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF BDO CANADA LLP, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

4. RESTRICTED SHARE UNIT PLAN

Approval of Restricted Share Unit Plan

On December 18, 2017, the Board authorized, subject to approval by the shareholders of the Company, the creation of a restricted share unit plan (the "**RSU Plan**"), pursuant to which the Board may grant restricted share units (the "**RSUs**") to eligible persons. The RSUs are substantially like "phantom" shares, the implied value of which will rise and fall in value based on the value of the Company's common shares and are redeemable for common shares on the vesting dates determined by the Board when the RSUs are granted. The key features of the RSU Plan are as follows:

- (a) the persons eligible (the "**Eligible Persons**") are directors, officers, employees and consultants of the Company designated by the Board;
- (b) RSUs shall consist of a grant of units, each of which represents the right of the Eligible Person to receive one common share of the Company;
- (c) the maximum number of common shares of the Company which may be made subject to issuance under RSUs granted under the RSU Plan shall:
 - (i) not exceed 32,000,000 common shares;
 - (ii) in combination with the aggregate number of common shares which may be issuable under any and all of the Company's equity incentive plans in existence from time to time, including the Company's Stock Option Plan (as described below), not exceed 20% of the issued and outstanding common shares of the Company, or such greater number of common shares as shall have been duly approved by the Board and, if required by the CSE's policies, and by the shareholders of the Company; and

- (iii) to any one Eligible Person within a 12 month period, not exceed 5% of the total number of issued and outstanding shares on a non-diluted basis;
- (d) the number of common shares which may be issuable under the RSU Plan and all of the Company's other previously established or proposed share compensation arrangements, within any one-year period:
 - (i) to any one Eligible Person, shall not exceed 5% of the total number of issued and outstanding common shares on the Grant Date (as defined in the RSU Plan) on a non-diluted basis;
 - (ii) to Insiders (as defined in the CSE policies) as a group within a 12 month period shall not exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis; and
 - (iii) to any one consultant shall not exceed 2% in the aggregate of the total number of issued and outstanding common shares on the Grant Date on a non-diluted basis;
- (e) there are currently no RSUs outstanding under the RSU Plan;
- (f) the Board has the discretion to determine the vesting date for each RSU or any other vesting requirements;
- (g) unless otherwise determined by the Board, in its sole discretion, or specified in the applicable RSU agreement:
 - (i) if an Eligible Person ceases to be a director, officer, consultant or employee of the Company for any reason (excluding death), all of the Eligible Person's RSUs which have vested at the time of such cessation shall be redeemed for either cash at the Fair Market Value (as defined in the RSU Plan), an equal number of common shares or a combination of cash and common shares as may be determined by the Board and the remainder shall be cancelled;
 - (ii) the RSUs of a Director who is not re-elected at an annual or special meeting of shareholders shall be redeemed for either cash at the Fair Market Value of an RSU, an equal number of common shares or a combination of cash and common shares as may be determined by the Board;
 - (iii) all of the RSUs, whether vested or not, of an Eligible Person who dies shall immediately vest and be redeemed for either cash at the Fair Market Value of an RSU, an equal number of common shares or a combination of cash and common shares as may be determined by the Board;
- (h) rights respecting RSUs shall not be transferable or assignable other than by will or the laws of descent and distribution;
- (i) the Board reserves the right, in its sole discretion, to amend, suspend or terminate the RSU Plan or any portion thereof at any time, in accordance with applicable legislation, without obtaining the approval of shareholders. Notwithstanding the foregoing, the Company will be required to obtain approval from holders of common shares that are not Eligible Persons for any amendment related to:

- (i) the number or percentage of issued and outstanding common shares available for grant under the RSU Plan;
 - (ii) a change in the method of calculation of redemption of RSUs held by Eligible Persons; and
 - (iii) an extension to the term for redemption RSUs held by Eligible Persons;
- (j) unless an Eligible Person otherwise agrees, any amendment to the RSU Plan or units shall apply only in respect of RSUs granted on or after the date of such amendment;
- (k) subject to regulatory approval, if any change occurs in the outstanding common shares by reason of a reorganization, the Board, in its sole discretion, and without liability to any person, shall make such equitable changes or adjustments, if any, as it considers appropriate, in such manner as the Board may consider equitable, to reflect such change or event including, without limitation, adjusting the number of RSUs credited to Eligible Persons and outstanding under the RSU Plan, provided that any such adjustment will not otherwise extend the redemption date otherwise applicable;
- (l) the existence of outstanding RSUs shall not affect in any way the right or power and authority of the Company or its shareholders to make or authorize any alteration, recapitalization, reorganization or any other change in the Company's capital structure or its business or any merger or consolidation of the Company, any issue of bonds, debentures or preferred or preference shares (ranking ahead of the common shares or otherwise) or any right thereto, or the dissolution or liquidation of the Company, any sale or transfer of all or any part of its assets or business or any corporate act or proceeding whether of a similar character or otherwise; and
- (m) upon the occurrence of a Change of Control (as defined in the RSU Plan), the Corporation shall redeem 100% of the RSUs granted and outstanding at that time for either cash at the Fair Market Value of an RSU, an equal number of common shares or a combination of cash and common shares as may be determined by the Board.

If approved by the shareholders at the Meeting, the RSU Plan will become effective as of the date of the Meeting. The RSU Plan is meant to complement the Stock Option Plan to offer, through combinations of these equity-based incentive programs, optimal alignment of the interest of management and employees of the Company to that of its shareholders. The choice of implementing a RSU Plan was taken by the Board after an analysis of various alternative equity-based plans. Of the potential equity-based plans considered, a combination of the current Stock Option Plan together with a RSU Plan was considered to provide the best balance between alignment with shareholder interests, protection against downside risk, share price volatility protection and employee retention.

Accordingly, the shareholders of the Company will be asked at the Meeting to pass an ordinary resolution attached as Exhibit "B" hereto.

The Board has determined that approval of the RSU Plan is in the best interests of the Company and its shareholders and unanimously recommends that shareholders vote in favor of the resolution.

As described in the notice and access notification mailed to shareholders of the Company, the Company has decided to deliver this information circular by posting it to the website (www.meetingdocuments.com/astca/ADX). The use of this alternative means of delivery is more

environmentally friendly as it will help reduce paper use and the Company's printing costs. This information circular will also be available on SEDAR at www.sedar.com. **Shareholders who wish to receive paper copies of the information circular may request copies (at no cost) by calling toll-free at 1-888-433-6443 or by emailing fulfilment@astfinancial.com.**

REMUNERATION OF DIRECTORS AND OFFICERS

Executive Compensation

Compensation Discussion and Analysis

As a part of its responsibilities the Compensation and Governance Committee was established for the purpose of reviewing, and recommending to the Board for approval, the compensation of executive officers. The responsibilities, powers and operations of the Compensation and Governance Committee are described in its Charter, which is set out as Exhibit "C" hereto.

During the fiscal year ended June 30, 2017 the Compensation and Governance Committee was composed of three independent directors: Stephen Burns, Marc Lavine and William Polley. This is the composition as of the date hereof. Stephen Burns is not standing for re-election.

The experience and skills of members of the Compensation and Governance Committee are set out in the section Election of Directors in this document.

The Compensation and Governance Committee conducts an annual review to consider and adjust executive compensation and relies upon the knowledge and experience of its members and other members of the Board of Directors regarding appropriate levels of salary and other compensation. The Compensation and Governance Committee assesses the performance of the President and Chief Executive Officer on an annual basis and establishes his base salary, bonus and stock option entitlement in the same way that the compensation of other executive officers is established, as outlined below.

The compensation of the executive officers of the Company is designed to reward performance and is determined on the basis of several factors, including the individual's experience, corporate responsibilities, the performance of the individual and the achievement of specified annual objectives determined by the Board of Directors and/or the President and Chief Executive Officer, as applicable. The current compensation package consists of salary, bonuses and stock options and emphasis is placed on salary; bonuses, cash and common shares of the Company; stock options; and restricted share units as described below. The executive officers of the Company are entitled to receive all benefits which are available to senior management generally.

The Company does not have a policy concerning whether or not Named Executive Officers or directors are permitted to purchase financial instruments such as forward contracts, swaps, collars etc. that are designed to hedge or offset a decrease in the market value of equity securities granted or held by the Named Executive Officer or director.

Base Salaries

The salaries and benefits paid to the Company's executive officers, including those paid to the President and Chief Executive Officer, were established at or below those generally paid to persons performing similar functions in comparable corporations within the marketing services industry. The Company currently has no adequate peer group and therefore does not benchmark its executive compensation. The compensation of the executive officers of the Company is guided by the following goals:

- The compensation package should be simple, transparent and easy to understand.
- The compensation package should be structured to attract and retain executive officers.
- The compensation package should recognize the contribution of the Company's executive officers to the overall success and growth of the Company.
- The compensation package should be commensurate with the time spent by executive officers in meeting their obligations.

Bonus Compensation

Bonuses paid to the executive officers are based upon objectives relating to each executive officer's corporate responsibility and to the Company's achievement of its overall corporate objectives. The bonuses paid are disclosed in the tabulation under Summary Compensation Table – 2017, 2016, & 2015.

Stock Option Plan

The Company has a Stock Option Plan (the "**Stock Option Plan**") which was approved by the shareholders at the Annual and Special Meeting of the Shareholders held on December 22, 2009. As part of the seamless transition of the listing of the Company's common shares to the Canadian Securities Exchange ("**CSE**") on March 15, 2011, the Board approved certain amendments to the Stock Option Plan to comply with CSE policies, and the CSE approved the Stock Option Plan.

As of date hereof the aggregate number of Common Shares issuable under the Stock Option Plan is 16,688,546. The foregoing number represents, as of the date hereof, 2.1% of the 782,299,614 issued and outstanding common shares of the Company. Any option granted under the Stock Option Plan, which for any reason is surrendered, cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan.

As of the date hereof, options to purchase an aggregate of 1,400,000 common shares are outstanding pursuant to the Stock Option Plan.

The Company does not have any Long-Term Incentive Plan other than the Stock Option Plan and the Restricted Share Unit Plan.

The material terms of the Stock Option Plan, as amended, are as follows:

- The purpose of the Stock Option Plan is to encourage ownership of Common Shares by directors, senior officers, employees and consultants of the Company and its subsidiaries (the "**Eligible Persons**").

- Under the Stock Option Plan, options may be granted to Eligible Persons.
- As of date hereof the aggregate number of Common Shares issuable under the Stock Option Plan is 16,688,546. The foregoing number represents, as of the date hereof, 2.1% of the 782,299,614 issued and outstanding common shares of the Company. Any option granted under the Stock Option Plan, which for any reason is surrendered, cancelled or terminated prior to exercise, will be available for a subsequent grant under the Stock Option Plan.
- The maximum number of Common Shares which may be reserved for issuance to any one person in any 12 month period (unless the Company has obtained disinterested Shareholder approval) under the Stock Option Plan is 5% of the Common Shares issued and outstanding at the time of the grant (calculated on a non-diluted basis) less the number of Common Shares reserved for issuance to such person under any option to purchase Common Shares granted as a compensation or incentive mechanism. The maximum number of Common Shares issuable to insiders of the Company, at any time, under all security based compensation arrangements of the Company, including the Stock Option Plan, shall not exceed 10% of the issued and outstanding Common Shares. The maximum number of Common Shares issued to insiders of the Company, within any one year period, under all security based compensation arrangements of the Company, including the Stock Option Plan, shall not exceed 10% of the issued and outstanding Common Shares.
- The option exercise price will be fixed by the Board or committee of the Board, but cannot be less than the greater of the closing price of the Common Shares on (i) the trading day immediately preceding the day upon which the option is granted, or (ii) the day the option is granted, provided that, in any event, the CSE does not typically allow options to be issued with exercise price less than \$0.05.
- Options granted under the Stock Option Plan may be exercised during a period not exceeding five years, subject to earlier termination, upon the optionee ceasing to be an employee, senior officer, director or consultant of the Company or any of its subsidiaries, as applicable, or upon the optionee retiring, becoming permanently disabled or dying. If the termination date of an option falls during or within three trading days of a blackout period, during which a policy of the Company prevents certain persons from trading in the securities of the Company, the expiry date for the option will be extended for an additional period expiring on the tenth trading day following the end of the blackout period.
- Options are non-transferable without Board approval.
- The Board may also, in its discretion, subject to the limitations of the CSE and the Stock Option Plan, at the time of granting an option, determine that provisions relating to the vesting of such option be contained in the written agreement between the Company and the optionee.
- By its terms, the Stock Option Plan may be amended by the Board without the consent of the shareholders, to the extent that such amendments relate to: (a) complying with the requirements of any applicable regulatory authority; (b) complying with the rules, policies and notices of the CSE or of any stock exchange on which the Company's securities are listed; (c) determining, subject to all applicable regulatory requirements, that the provisions of the Stock Option Plan concerning the effect of termination of a participant's status as an Eligible Person under the Stock Option Plan shall not apply to a participant for any reason acceptable to the Board; (d) amending the definitions contained within the Stock Option Plan; (e) amending the categories of persons who are Eligible Persons and entitled to be granted options pursuant to the Stock Option Plan; (f) allowing the grant of short-term financial assistance to participants for the purpose of exercising options granted under the Stock Option Plan, subject to compliance with all

applicable regulatory requirements; (g) authorizing the addition or modification of a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying securities from the Stock Option Plan reserve; (h) decreasing the maximum number of Common Shares issuable under the Stock Option Plan (with a corresponding decrease in the number of Common Shares reserved for issuance under the Stock Option Plan); and (i) amendments of a “clerical” nature, including, without limitation, amending the wording of any provisions of the Stock Option Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Stock Option Plan that is inconsistent with any other provision of the Stock Option Plan.

Pension Plan Benefits

The Company does not have any defined benefits plans, defined contribution plans or deferred compensation plans.

Employment Contracts

Kelly E. Ambrose

The Company and Kelly E. Ambrose entered into an employment agreement dated September 26, 2007, pursuant to which Mr. Ambrose is employed as President and Chief Executive Officer at an annual salary of \$350,000, subject to annual review, and a bonus of up to 100% of his salary based on performance and profitability of the Company. Mr. Ambrose’s base salary has been through several revisions - initially to \$330,000, effective February 1, 2015 to \$297,000, effective November 1, 2015 to \$282,150 and most recently in August 2017 to \$225,270. Mr. Ambrose is also entitled to a monthly car allowance of \$1,000 and an annual maximum health care spending allowance of \$30,000. Mr. Ambrose’s monthly car allowance was revised effective February 1, 2015 to \$975 and most recently effective August 2017 to \$720. The Company is entitled to terminate Mr. Ambrose’s employment without cause (including after the effective date of a change of control) by paying him a lump sum payment in the amount of 12 months’ of the annual salary of \$350,000, plus the bonus paid to him in respect of the last fiscal year during which ended prior to the date of termination of his employment, plus an amount equal to one-twelfth (1/12) of the average of the bonuses paid to him in respect of the last two fiscal years which ended prior to the date of termination of his employment multiplied by the number of full months that have elapsed in the fiscal year during which his employment is terminated. In addition to the above payments, upon termination of his employment without cause, Mr. Ambrose would continue to receive the car allowance at the rate of \$1,000 per month, benefits, (or payment in lieu) as well as the health care spending allowance for the duration of the notice period, and 100% of his options would vest immediately, and would be exercisable for a period of two years from the date of termination.

Mukesh Sabharwal

The Company and Mukesh Sabharwal entered into an employment agreement dated October 27, 2006, subsequently amended March 12, 2009, pursuant to which Mr. Sabharwal is employed as Vice President and Chief Financial Officer at an annual salary of \$150,000 and is entitled to an annual bonus of up to 50% of his annual salary, subject to the Company achieving its objectives, and on the successful completion of his individual agreed upon objectives. Mr. Sabharwal’s base salary has been through several revisions - initially to \$200,000, effective February 1, 2015 to \$183,610, November 1, 2015 to \$171,000 and most recently in August 2017 to \$136,800. The Company is entitled to terminate Mr. Sabharwal’s employment without cause upon providing him with 12 weeks’ notice of termination, or payment in lieu of notice for service provided by him up to March 12, 2009, and an additional two weeks, prorated monthly for each completed year of service, up to a maximum of ten months, based on the annual salary of \$200,000. On November 12, 2009 the employment agreement was amended to cover

severance payment of 12 months annual salary, based on the annual salary of \$200,000, in the event of change of control triggered by specific circumstances.

Scott Weston

The Company and Scott Weston entered into an employment agreement pursuant to which Mr. Weston is employed, effective December 9, 2013, as Vice President CIBC/TD program, at an annual salary of \$200,000. Mr. Weston's initial base salary was \$197,500 which was revised July 1, 2014 to \$200,000, effective February 1, 2015 to \$180,000, effective November 1, 2015 to \$171,000 and most recently in August 2017 to \$136,800. The Company is entitled to terminate Mr. Weston's employment without cause upon providing six months' notice or payment in lieu of notice, based on annual salary of \$200,000. The employment agreement provides for severance payment of 12 months annual salary in the event of change of control triggered by specific circumstances, based on annual salary of \$200,000.

Mr. Weston resigned and left the Company's employment on December 29, 2017.

Kurosh Hormozian

Kurosh Hormozian commenced his employment with the Company on May 17, 2004. Mr. Hormozian was promoted to the position of Chief Information Officer effective May 16, 2015. Mr. Hormozian's annual salary was revised to \$180,000 effective July 1, 2015 and he was entitled to receive a monthly car allowance of \$1,000 effective July 1, 2015. Mr. Hormozian's base salary was most recently revised effective November 1, 2015 to \$171,000. The Company is entitled to terminate Mr. Hormozian's employment without cause upon providing 1 month's notice or payment in lieu of notice for each completed year of service up to a maximum of 12 months and as of May 16, 2015 Mr. Hormozian was entitled to 11 months notice of termination or payment in lieu of notice. The employment agreement provides for severance payment of 12 months annual salary in the event of change of control triggered by specific circumstances.

Mr. Hormozian resigned and left the Company's employment on April 13, 2017.

General

All employment agreements described above also provide for:

1. Appropriate confidentiality, non-competition and non-solicitation covenants.
2. That the bonuses are subject to the approval of the Board of Directors.
3. An entitlement to participate in Health and Life insurance plans for which the Company pays the premiums.
4. A provision to protect the individuals in the event of change of control, which will be deemed to occur (a) if directors who have been approved by at least two-third of the existing directors cease to constitute a majority of the number of directors constituting the Board, (b) except in certain circumstances where the officer has an interest in the transaction, if a person or group of persons acting jointly or in concert acquire 35% or more of the issued and outstanding securities of the Company other than as a result of the issuance of securities by the Company and (b) upon a merger, amalgamation or other corporate reorganizations of the Company which results in the Company's shareholders owning less than 50% of the voting securities of the resulting entity.

Compensation Summary

COMPENSATION SUMMARY FOR YEAR ENDED June 30, 2017

The following tabulation covers compensation of Chief Executive Officer, Chief Financial Officer, and other executive officers whose "total compensation" exceeds \$150,000 ("Named Executive Officers"), and all of whom are members of the senior management team.

Summary Compensation Table – 2017, 2016, & 2015⁽¹⁾

NEO (Name and Principal Position)	Year	Salary (\$)	Share based awards ⁽⁴⁾ (\$)	Option based awards ⁽⁴⁾ (\$)	Non-equity incentive plan compensati on - Annual ⁽³⁾ (\$)	Non- equity incentive plan compensati on – Long Term (\$)	Pension value (\$)	All other compensation ⁽²⁾ (\$)	Total compensation (\$)
Kelly E. Ambrose President and Chief Executive Officer, and Secretary	2017	282,366	Nil	Nil	Nil	Nil	Nil	41,702	324,068
	2016	287,100	Nil	Nil	Nil	Nil	Nil	41,702	328,802
	2015	316,250	Nil	Nil	Nil	Nil	Nil	40,998	357,248
Mukesh Sabharwal Vice-President and Chief Financial Officer	2017	171,000	Nil	Nil	Nil	Nil	Nil	3,610	174,610
	2016	174,000	Nil	Nil	Nil	Nil	Nil	3,610	177,610
	2015	193,171	Nil	Nil	Nil	Nil	Nil	4,011	197,182
Scott Weston General Manager CIBC/TD program ⁽⁵⁾	2017	171,000	Nil	Nil	Nil	Nil	Nil	Nil	171,000
	2016	174,000	Nil	Nil	Nil	Nil	Nil	Nil	174,000
	2015	191,667	Nil	Nil	Nil	Nil	Nil	Nil	191,667
Kurosh Hormozian Chief Information Officer ⁽⁵⁾	2017	134,169	Nil	Nil	Nil	Nil	Nil	9,450	143,619
	2016	174,000	Nil	Nil	Nil	Nil	Nil	12,000	186,000

Notes

- (1) Additional details are available in the narrative under "Executive Compensation – Employment Contracts".
- (2) "All other compensation" represents car and/or 407 ETR allowance. In case of Kelly Ambrose only, amounts paid towards health care spending allowance are also included, details of which are available under "Executive Compensation - Employment Contracts".
- (3) Bonuses paid for fiscal years ended June 30, 2017, 2016 and 2015.
- (4) The Company did not give any share based awards. The value assigned under "Option based awards" is calculated based on the Black-Scholes pricing model. There were no stock options grants during fiscal year ended June 30, 2017.

(5) Scott Weston's employment with the Company commenced December 9, 2013 and subsequently resigned his position on December 29, 2017. Kurosh Hormozian was promoted to position of Chief Information Officer in May 2015 and subsequently resigned his position on April 13, 2017.

Incentive Plan Awards

Outstanding Share-based Awards and Option-based Awards

The table on the following page sets forth the options to purchase securities of the Company granted up to June 30, 2017 to the Named Executive Officers in the employment of the Company as of June 30, 2017. All awards were issued pursuant to the rules and regulations of the Company's Stock Option Plan.

Name	Option-based Awards ^{(1) (5)}				Share-based Awards		Market or payout value of vested share-based awards not paid out or distributed
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	
Kelly E. Ambrose	525,000 ⁽⁴⁾	0.050	19 March, 2018	Nil	Nil	Nil	Nil
Mukesh Sabharwal	325,000 ⁽⁴⁾	0.050	19 March, 2018	Nil	Nil	Nil	Nil

Notes:

- (1) Includes all options awarded to Named Executive Officers in the employment of the Company as of June 30, 2017 under the Stock Option Plan, and outstanding as at June 30, 2017.
- (2) The "Value of unexercised in-the-money options" figures reflect the aggregate dollar amount of in-the-money, based on price per common share at close of business on June 30, 2017, of unexercised options held at the end of the year ended June 30, 2017. The price per common share at the close of business on the CSE on May 26, 2017 (the most recent date for activity on the Company's shares prior to June 30, 2017) was \$0.005.
- (3) During year ended June 30, 2017 the options granted in prior years to Kelly Ambrose and Mukesh Sabharwal with option expiry date of February 3, 2017 were not exercised.
- (4) These options vested on date of the grant, March 19, 2013.
- (5) No options based awards were exercised during the fiscal year ended June 30, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer the value that would have been realized if the options granted under the Stock Option Plan had been exercised on their vesting date and the value earned under non-equity incentives, all during the year ended June 30, 2017.

Name	Options vested during the year ⁽¹⁾	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards - Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Kelly E. Ambrose	Nil	Nil	Nil	Nil

Name	Options vested during the year ⁽¹⁾	Option-based awards - Value vested during the year ⁽¹⁾	Share-based awards - Value vested during the year ⁽¹⁾	Non-equity incentive plan compensation - Value earned during the year
		(\$)	(\$)	(\$)
Mukesh Sabharwal	Nil	Nil	Nil	Nil
Scott Weston	Nil	Nil	Nil	Nil
Kurosh Hormozian	Nil	Nil	Nil	Nil

Notes:

(1) During fiscal year ended June 30, 2017 there was no stock option grants, and all stock options granted in previous fiscal years vested prior to fiscal year ended June 30, 2017. During year ended June 30, 2017 there was no share based award.

Termination and Change of Control Payments

Potential payments upon termination of employment as of date hereof for each Named Executive Officer in the employment of the Company as of date hereof.

	Severance in event of termination without cause ⁽¹⁾⁽³⁾	Severance in event of triggering change of control situation ⁽¹⁾⁽³⁾
	(\$)	(\$)
Kelly E. Ambrose⁽²⁾	\$350,000	\$350,000
Mukesh Sabharwal	\$114,115	\$200,000

Notes:

(1) Additionally, health and life insurance benefits would continue for the duration of the notice period

(2) In addition, payments would include continuation of car allowance (\$12,000), annual health care spending allowance of \$30,000.

(3) The severance amounts reflect the current base salary and employment terms. See section Employment Contracts.

Compensation of Directors

Directors Compensation Table

During the fiscal year ended June 30, 2017, each of the directors of the Company (excluding Kelly Ambrose who is also Chief Executive Officer of the Company, and does not receive additional compensation as a director of the Company) were entitled to an annual Director's fee as follows:

Each director other than the Chairman of the Board earned an annual fee of \$15,000, and \$800 per meeting attended;

1. The Chairman of the Board earned an annual fee of \$42,000, and the same attendance fee as the other directors;

- Chairman of the Compensation and Governance Committee earned an annual fee of \$2,500, and each Committee member earned \$500 per meeting attended;
- Chairman of the Audit Committee earned an annual fee of \$5,000 and each Committee member earned \$500 per meeting attended.

The Directors' compensation table for fiscal year ended June 30, 2017 is as follows:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Stephen Burns ⁽¹⁾	\$ 50,700	Nil	Nil	Nil	Nil	Nil	\$ 50,700
William H. Polley	\$ 26,200	Nil	Nil	Nil	Nil	Nil	\$ 26,200
Marc B. Lavine	\$ 19,200	Nil	Nil	Nil	Nil	Nil	\$ 19,200

Notes:

(1) Chairman of the Board of Directors. Stephen Burns is not standing for re-election.

(2) There were no option based awards during fiscal year ended June 30, 2017.

Outstanding Share-based and Option-based Awards

The following table sets forth the options to purchase securities of the Company granted up to the most recently completed fiscal year ended June 30, 2017, to the eligible Directors of the Company.

Name	Option-based Awards ⁽¹⁾⁽⁵⁾				Share-based Awards		Market or payout value of vested share-based awards not paid out or distributed
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	
Stephen Burns	200,000 ⁽⁴⁾	0.050	March 19, 2018	Nil	Nil	Nil	Nil
William H. Polley	200,000 ⁽⁴⁾	0.050	March 19, 2018	Nil	Nil	Nil	Nil

Notes:

(1) Includes all options awarded to Directors under the Stock Option Plan and outstanding as at June 30, 2016.

(2) The "Value of unexercised in-the-money options" figures reflect the aggregate dollar amount of in-the-money, based on price per common share at close of business on June 30, 2017, of unexercised options held at the end of the year ended June 30, 2017. The price per common share at the close of business on the CSE on May 26, 2017 (the most recent date for activity on the Company's shares prior to June 30, 2017) was \$0.005.

(3) During year ended June 30, 2017 the options granted in prior years to Stephen Burns and William H. Polley with option expiry date of February 3, 2017 were not exercised.

(4) Vested on date of grant, March 19, 2013.

(5) No options based awards were exercised during the fiscal year ended June 30, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each eligible Director of the Company the value that would have been realized if the options granted under the Stock Option Plan had been exercised on their vesting date and the value earned under non-equity incentives, all during the fiscal year ended June 30, 2017.

Name	Options vested during the year⁽¹⁾	Option-based awards - Value vested during the year⁽¹⁾	Share-based awards - Value vested during the year⁽¹⁾	Non-equity incentive plan compensation - Value earned during the year⁽¹⁾
		(\$)	(\$)	(\$)
Stephen Burns	Nil	Nil	Nil	Nil
William H. Polley	Nil	Nil	Nil	Nil

Notes:

(1) During fiscal year ended June 30, 2017 there was no stock option grants, and all stock options granted in previous fiscal years vested prior to fiscal year ended June 30, 2017. During year ended June 30, 2017 there was no share based award. There was no non-equity incentive plan compensation during the fiscal year ended June 30, 2017.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

The following table sets out as of June 30, 2017, a summary of compensation plans of the Company under which securities of the Company are authorized for issuance, being the Stock Option Plan and the Warrant Plan (as defined below).

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
	(#)	(\$)	(#)
Equity compensation plans approved by security-holders	1,490,000	0.05	15,198,546
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	1,490,000	0.05	15,198,546

Retail/Sponsor Warrant Plan

On April 8, 2001, the Board created a warrant plan (the “**Warrant Plan**”) allowing for the issuance of warrants (the “**Retailer/Sponsor Warrants**”) to purchase Common Shares to certain sponsors and retailers of the loyalty and promotion programs of the Company and its affiliates (the “**Programs**”). The purpose of the Warrant Plan is to allow certain retailers who participate in the Programs (the

“**Retailers**”) and certain sponsors who sponsor the Programs (the “**Sponsors**”) to receive Retailer/Sponsor Warrants. The Board of Directors believes that the Warrant Plan enables the Company to:

- (a) encourage sponsors and retailers to participate in and promote the success and effectiveness of the Programs;
- (b) better align the interests of such sponsors and retailers with the long-term interests of the Company;
- (c) encourage the establishment and maintenance of long-term relationships with sponsors and retailers; and
- (d) differentiate itself from its competition in attracting and retaining sponsor and retailer participation in the Programs.

Every Retailer or Sponsor participating in the Warrant Plan is required to enter into an agreement with the Company (the “**Warrant Agreement**”) governing, among other things, the vesting and exercise of the Retailer/Sponsor Warrants granted thereunder. The number of Retailer/Sponsor Warrants to be granted to a Sponsor or Retailer will be based upon the relative contribution of such Sponsor or Retailer to the annual growth in the Company’s revenues generated by the Programs. The granting of the Retailer/Sponsor Warrants are also governed by the policies of the CSE as applicable.

Under the Warrant Plan, no Retailer/Sponsor Warrants may be granted to insiders (as such term is defined in the *Securities Act* (Ontario)) of the Company. The number of Common Shares which may be reserved for issuance under the Warrant Plan is limited to 1,500,000 Common Shares, provided that the Board has the right, from time to time, to increase such number subject to the approval of the shareholders of the Company. The number of Common Shares subject to issuance under the Warrant Plan represent, in the aggregate, approximately 0.2% of the issued and outstanding Common Shares as at the date hereof. The maximum number of Common Shares which may be reserved for issuance to any one person under the Warrant Plan is 5% of the Common Shares outstanding at the time of the grant (calculated on a non-diluted basis). Any shares reserved for issuance pursuant to a Retailer/Sponsor Warrant granted under the Warrant Plan which for any reason are cancelled or terminated prior to exercise will be available for a subsequent grant under the Warrant Plan. Retailer/Sponsor Warrants granted under the Warrant Plan may be exercised during a period not exceeding five years, subject to earlier termination upon the termination of the warrantholders’ retailer or sponsor agreement with the Company, or upon the warrantholder ceasing to be a Retailer or Sponsor of the Company or its affiliates or as otherwise specified in the applicable Warrant Agreement. All Retailer/Sponsor Warrants are non-transferable. The Warrant Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Company’s capitalization. The Board of Directors may from time to time amend or revise the terms of the Warrant Plan or may terminate the Warrant Plan at any time. The Warrant Plan does not contain any provision for financial assistance by the Company in respect of Retailer/Sponsor Warrants granted under the Warrant Plan.

As of the date hereof, there were no Retailer/Sponsor Warrants granted or outstanding pursuant to the Warrant Plan.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the Company's shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interests of its shareholders and contribute to effective and efficient decision making. The Company believes that its corporate governance practices ensure that the business and affairs of the Company are effectively managed so as to enhance shareholder value.

Audit Committee

Pursuant to National Instrument 52-110 – Audit Committees (the “National Instrument”) the Company is disclosing herewith information concerning the Audit Committee of the Board (the “Audit Committee”) and its relationship with its independent auditor. As a venture issuer, the Company is relying upon the exemption in section 6.1 of the NI 52-110.

The Charter of the Audit Committee is attached as Exhibit “D” hereto.

Composition of the Audit Committee.

The current members, as of date hereof, are William H. Polley (Chair of the Audit Committee), Stephen Burns (Chair of the Board), and Kelly E. Ambrose. Stephen Burns is not standing for re-election.

Each member of the Audit Committee is considered to be “financially literate” within the meaning of the National Instrument.

Messrs. Polley and Burns are considered to be “independent” within the meaning of the National Instrument. Mr. Ambrose is not considered to be “independent” by virtue of his position of President and Chief Executive Officer of the Company. Although relationships exist between the Company and Messrs. Polley and Burns, the Board is of the view that these relationships are not “material relationships” as defined under the National Instrument as they are not reasonably expected to interfere with the exercise of independent judgment by each of Messrs. Polley and Burns. Further, Messrs. Polley and Burns, do not accept, directly or indirectly, any consulting, advisory or other compensatory fees from the Company or any subsidiary of the Company, other than as remuneration for acting as a member of the Board or any committee of the Board.

Relevant Education and Experience

Mr. Polley is a Chartered Accountant (CPA, CA) and has no direct or indirect relationship with the Company aside from acting as a member of the Board since November 21, 2002.

Mr. Burns is a Chartered Accountant (CPA, CA) and was a senior partner in Shimmerman Penn Burns Becker LLP, Chartered Accountants (“Shimmerman Penn”) from 1995 to April 1, 2002. BDO Canada LLP are the current auditors of the Company. Shimmerman Penn was the auditor of the Company from 1995 thru fiscal 2005. During the last three years that Mr. Burns was a senior partner in Shimmerman Penn, he had given up all responsibilities as engagement partner for his clients, including the Company, and only acted in a consulting role. Mr. Burns has no other direct or indirect relationship with the Company aside from acting as a member of the Board since February 19, 2004. Mr. Burns is not standing for re-election.

Mr. Ambrose holds a Bachelor of Commerce from the University of Saskatchewan. Mr. Ambrose has been the President of the Company since October 19, 2005, Chief Operating Officer of the Company between October 19, 2005 and December 4, 2006, Chief Executive Officer of the Company since December 5, 2006, and Secretary since September 24, 2009.

Pre-Approval Policies and Procedures

In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice, tax planning or other non-audit services, such services must be pre-approved by the Audit Committee.

Auditors Service Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company during the fiscal years ended June 30, 2017 and June 30, 2016, for audit and non-audit related services:

Type of Work	Year Ended June 30, 2017	Year Ended June 30, 2016
Audit fees ⁽¹⁾	\$ 78,847	\$ 86,625
Audit-related fees ⁽²⁾	\$ -	\$ -
Tax advisory fees ⁽³⁾	\$ 22,140	\$ 15,900
All other fees	\$ 1,486	\$ 1,650
Total	\$ 102,473	\$ 104,175

Note:

- (1) Aggregate fees billed for the Company's annual financial statements and services normally provided by the auditor in connection with the Company's statutory and regulatory filings.
- (2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit Fees", including: assistance with aspects of tax accounting, attest services not required by state or regulation and consultation regarding financial accounting and reporting standards.
- (3) Aggregate fees billed for tax compliance, tax advice and tax planning.

Disclosure of Corporate Governance Practices

The Company has reviewed its own corporate governance practices in light of the guidelines contained in National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201"). The Company's practices comply generally with the guidelines; however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore such guidelines have not been adopted. Set out below is a description of the Company's corporate governance practices as required by National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101").

Board of Directors

Pursuant to NI 58-101, a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Certain directors are

deemed to have a material relationship with the issuer by virtue of their position or relationship with the Company. The Board is currently comprised of four (4) members, three (3) of whom the Board has determined are independent. In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors.

Stephen Burns, William H. Polley, Marc B. Lavine are considered independent directors.

Kelly E. Ambrose is not considered to be an independent director as Mr. Ambrose is the President and Chief Executive Officer of the Company.

The majority of the directors of the Company are independent.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board meets in the absence of members of management and the relevant directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate. In light of the suggestions contained in NP 58-201, the Board has convened meetings of independent directors, at which non-independent directors and members of management are not in attendance, at least once annually and additionally, as may be deemed necessary.

Stephen Burns is Chairman of the Board of Directors. Mr. Burns is considered to be an independent director. Currently, the Board is satisfied that it exercises its responsibilities for independent oversight of management. The ability to establish *ad hoc* committees comprised solely of independent directors provides the Board with the ability to meet independently of management whenever deemed necessary or appropriate and the chair of each such *ad hoc* committee provides the leadership for such committee. Mr. Burns is not standing for re-election.

Other Directorship

The following table sets out details of directorships held by each current director or nominee in other public issuers:

Name of Director	Name of Issuer
William H. Polley	Dynamic Venture Opportunity Fund
Marc B. Lavine	EQ Inc. Exclamation Investments Incorporated ITS Group ITS

Orientation and Education

The Company does not currently have a formal orientation and education program for new Board members. New Board members receive an information package, tour the facilities and are provided with opportunities to interact with and request briefings from management in order to ensure that new directors are familiarized with the Company’s business and the procedures of the Board.

Given the size of the Company and the in-depth experience of the current directors, there has been no formal continuing education program. Board members are entitled, at the Company’s expense, to attend seminars that they determine necessary to keep themselves up-to-date with current issues relevant to their services as directors of the Company.

Ethical Business Conduct

The Company has implemented a corporate disclosure, confidentiality and insider trading policy to formalize the Company's policy regarding, among other things:

- (a) disclosure of information in a timely, consistent and appropriate manner;
- (b) the protection against, and prevention of, the improper use or disclosure of material and/or confidential information;
- (c) the dissemination of material information in accordance with applicable legal requirements;
- (d) the responsibilities of the Company's directors, officers and employees respecting the appropriate use and disclosure of material and/or confidential information;
- (e) the process to be undertaken to determine whether or not information is material and when and how such information should be disclosed; and
- (f) the establishment of procedures, guidelines and processes to be utilized to assist directors, officers and employees in complying with insider trading restrictions.

In circumstances where a director or executive officer has a material interest in a transaction or agreement which the Company is considering entering into, the individual is required to fully disclose his or her interest therein, an *ad hoc* committee of disinterested directors is appointed to review the same to confirm, among other things, that such transaction or agreement, as applicable, is being entered into on arm's length commercially reasonable terms. Such committee has the right to obtain advice from the Company's counsel and other professional advisors and/or appoint independent counsel and/or advisors.

The Company has implemented a Code of Business Conduct and Ethics (the "**Code**"). A copy of the Code is available under the Company's profile on SEDAR at www.sedar.com.

The Code provides that the Company's employees, officers and directors are required to act with honesty and integrity and to avoid any relationships or activities that might create, or appear to create, a conflict between personal interests and the interests of the Company. The Company is committed to providing a healthy and safe workplace in compliance with applicable laws, rules and regulations. The Code affirms the Company's commitment to foster a work environment in which all individuals are treated with respect and dignity.

The Code provides a process by which actual or potential violations of its provisions are to be reported and confirms that there will not be any reprisals against an individual who does so in good faith.

The Code also includes provisions to deal with conflicts of interest. All of the Company's employees, officers and directors are expected to comply with the Code.

The Company also operates a Workplace Ethics Hotline with an independent third party.

A shareholder or other interested party may obtain a copy of the abovementioned policies by contacting the Secretary of the Company at Suite 606, 600 Alden Road, Markham, Ontario, L3R 0E7.

Nomination of Directors

The Board has established a Compensation and Governance Committee with a mandate to conduct appropriate review and selection processes for new nominees as directors. The Committee as of date hereof is comprised of three independent directors. The responsibilities, powers and operations of the Compensation and Governance Committee are described in its Charter, which is set out as Exhibit “C” hereto.

Compensation

The Board of Directors reviews and approves annually the compensation of the executive officers of the Company, taking into consideration the recommendations of the Compensation and Governance Committee, comprised entirely of independent directors, and the remuneration practices of similar companies.

The responsibilities, powers and operations of the Compensation and Governance Committee are described in its Charter, which is set out as Exhibit “C” hereto.

The Board of Directors reviews on an annual basis the adequacy and form of compensation of directors to ensure that the compensation of the Board reflects the responsibilities and risks involved in being an effective director. Compensation currently consists of directors’ fees and stock option grants. See “*Executive Compensation – Compensation of Directors*”.

Board Committees

The Board currently has two (2) standing committees: the Audit Committee, the Compensation and Governance Committee.

The Audit Committee, whose Chairman, as of date hereof, is William Polley, was composed of three directors two of whom are independent. The Board has approved, consistent with other venture issuers of similar stage and development, amendments to the charter of the Audit Committee that will allow the Audit Committee to consist of at least three members, the majority of whom shall be neither officers nor employees of the Company or any of its subsidiaries.

The Compensation and Governance Committee, whose Chairman, as of date hereof, is Stephen Burns was composed of three independent directors during the most recently completed fiscal year. The Committee was established for the purpose of:

1. reviewing, and recommending to the Board for approval, the compensation of executive officers.
2. reviewing the Company’s corporate governance practices in light of the guidelines contained in NP 58-201, to review the Company’s disclosure and securities compliance policies, including, without limiting the foregoing, its communications policies, and to conduct an appropriate review and selection process for new nominees as directors.

Assessments

The Board may eventually institute a formal annual assessment process of the effectiveness and contribution of the Board as a whole, its committees and individual directors.

Until this time, based upon the Company's size, its current state of development and the number of individuals on the Board, the Board has not considered a formal process for assessing regularly the effectiveness and contribution of the Board, as a whole, its committees or individual directors to be necessary. In light of the fact that the Board and its committees meet on numerous occasions during each year, each director has significant opportunity to assess other directors. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees and individual directors on an ad hoc basis until the formal assessment process is implemented.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or employee of the Company or its subsidiaries, or former director, executive officer or employee of the Company or its subsidiaries, or proposed nominee for election as a director of the Company, nor any associate of any such director, executive officer, employee or proposed nominee is, as at the date of this Information Circular, or has been, at any time since the beginning of the most recently completed fiscal year, indebted to: (i) the Company or any subsidiary of the Company; or (ii) another entity, for which such indebtedness is, or at any time since the beginning of the most recently completed fiscal year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company purchases directors' and officers' liability insurance coverage in the amount of \$5.0 million subject to a maximum \$25,000 deductible in certain circumstances (\$50,000 with respect to Employment Practices Liability). The annual total premium paid, by the Company, in respect of such insurance is \$31,320.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in note 11, Related party transaction, to the audited consolidated financial statements for the fiscal year ended June 30, 2017, and as updated under section 2 Election of Directors in this document none of the informed persons of the Company, the proposed directors or any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed fiscal year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Company at any time since the beginning of its last completed fiscal year, no proposed director and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Information Circular.

MANAGEMENT CONTRACTS

There are no management functions of the Company or its subsidiaries which are to any substantial degree performed other than by the directors or executive officers of the Company or its subsidiaries.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no matters to come before the Meeting other than as set forth in the Notice of Meeting. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ACCOMPANYING PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy represent management and directors of the Company. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT ON HIS BEHALF AT THE MEETING, OTHER THAN THE PERSONS OR COMPANY DESIGNATED IN THIS FORM OF PROXY. SUCH RIGHT MAY BE EXERCISED BY INSERTING THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his or her duly executed form of proxy with the Company's transfer agent and registrar, AST Trust Company using the provided envelope by mail to P.O. Box 721, Agincourt, ON, Canada, M1S 0A1, or by hand to 1 Toronto Street, Suite 1200, Toronto, ON, Canada, or by fax to 416-368-2502 / toll-free 1-866-781-3111, no later than 11:00 am (Toronto time) on Monday, February 26, 2018, where there is no adjournment or postponement of the Meeting.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed in the same manner as a proxy and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used or with the chairman of the Meeting on the day of such Meeting or any adjournment thereof and thereupon the proxy is revoked.

A shareholder attending the Meeting has the right to vote in person and, if a shareholder does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the shares represented by the proxy shall be voted accordingly. **WHERE NO CHOICE IS SPECIFIED, THE PROXY WILL CONFER DISCRETIONARY AUTHORITY AND WILL BE VOTED FOR THE ELECTION OF DIRECTORS AND THE APPOINTMENT OF AUDITORS. THE ENCLOSED FORM OF PROXY ALSO CONFERS DISCRETIONARY AUTHORITY UPON THE PERSONS NAMED THEREIN TO VOTE WITH RESPECT TO ANY AMENDMENTS OR VARIATIONS TO THE MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS JUDGMENT MAY DETERMINE.** At the time of printing this Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Common Shares, 500,000 class A preference shares, an unlimited number of class B preference shares issuable in series, and 125,000 class C preference shares. At the date hereof, the Company has outstanding 782,299,614 Common Shares, 461,887 class A preference shares, and no class B preference and class C preference shares are outstanding. Each Common Share carries one vote.

Persons registered on the books of the Company at the close of business on January 12, 2018 (the “**Record Date**”) are entitled to vote at the Meeting.

ADVICE TO NON-REGISTERED SHAREHOLDERS

Only registered holders of Common Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a “**Non-Registered Holder**”) are registered either: (i) in the name of an intermediary (an “**Intermediary**”) with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs), Registered Education Savings Plans (RESPs) and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators* (“**NI 54-101**”), the Company has elected to deliver this management information circular to shareholders by (i) distributing a notification of meeting along with the form of proxy to the clearing agencies and intermediaries (the “**Mailed Materials**”) for distribution to Non-Registered Shareholders; and (ii) posting this management information circular on the website www.meetingdocuments.com/astca/ADX. See “Notice and Access” on page 27 for further information. The Company does not intend to pay for Intermediaries to forward to objecting beneficial owners under NI 54-101 the Mailed Materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary, and that in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the Mailed Materials unless the objecting beneficial owner’s intermediary assumes the cost of delivery.

Applicable regulatory law and policy requires Intermediaries and clearing agencies to seek voting instructions from Non-Registered Holders. Without specific instructions from Non-Registered Holders, Intermediaries and clearing agencies are prohibited from voting the shares of the Non-Registered Holders. Accordingly, Intermediaries and clearing agencies are required to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders will be given, in substitution for the standard proxy otherwise contained in proxy-related materials, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow or less frequently a partially completed proxy.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the voting instructions form and a form of legal proxy will be sent to the Non-Registered Holder. Should a Non-Registered Holder who receives the partially completed proxy wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert their (or

such other person's) name in the blank space provided and return the partially completed proxy in accordance with the instructions contained therein.

In any event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the voting instructions form or partially completed proxy.

NOTICE AND ACCESS

In 2012, the Canadian Securities Administrators announced the adoption of regulatory amendments to securities laws governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to advise their shareholders of the availability of this management information circular on an easily-accessible website, rather than mailing physical copies.

The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and the Company's carbon footprint and the Company's printing costs. The Company therefore decided to deliver this management information circular to shareholders by posting it on the website www.meetingdocuments.com/astca/ADX. This information circular will also be available on SEDAR at www.sedar.com. All shareholders will also receive a notice document which will contain information on how to obtain electronic and paper copies of this management information circular in advance of the Meeting.

Shareholders who wish to receive paper copies of the management information circular may request copies by calling toll-free at 1-888-433-6443 or by emailing fulfilment@astfinancial.com.

Requests for paper copies must be received at least six business days in advance of the proxy deposit date and time set out in the accompanying proxy or voting instruction form in order to receive this management information circular in advance of the proxy deposit date and Meeting. This management information circular will be sent to such shareholders within three business days of their requests if such requests are made before the Meeting. Those shareholders with existing instructions on their account to receive a paper copy of meeting materials will receive a paper copy of this management information circular.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Company, as at the date hereof, there is one principal shareholder who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to any class of issued and outstanding voting securities of the Company. Subsequent to the re-financing in December 2013 and the recently completed refinancing of its 12% Non-convertible Debenture on December 22, 2017, Trapeze Capital Corp. and Trapeze Asset Management Inc. (together "Trapeze"), as at December 31, 2017, on behalf of their managed accounts exercised control and direction over 323,373,909 common shares representing 41.3% of the Company's issued and outstanding common shares.

ADDITIONAL INFORMATION

Additional information relating to the Company is available electronically at www.sedar.com. Financial information is provided in the Company's comparative audited financial statements and management's discussion and analysis for its most recently completed fiscal year. To obtain, free of charge, copies of the Company's financial statements, related management's discussion and analysis, and any other document incorporated by reference to these Meeting Materials please contact:

Mukesh Sabharwal
Vice President and Chief Financial Officer
Advantex Marketing International Inc.
600 Alden Road, Suite 606
Markham, Ontario, L3R 0E7.

GENERAL

Except where otherwise indicated, information contained herein is given as of January 19, 2018.
All references to “\$” are to Canadian dollars.

CERTIFICATE

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the directors of the Company.

DATED this 19th day of January, 2018.

/s/ “Kelly E. Ambrose”

Kelly E. Ambrose
President & Chief Executive Officer



ADVANTEX

EXHIBIT “A”

CHARTER OF THE BOARD OF DIRECTORS

I. PURPOSE

The board of directors (the “**Board of Directors**”) of Advantex Marketing International Inc. (the “**Corporation**”) is responsible for the general supervision of the activities and management of the affairs of the Corporation and for acting in the best interests of the shareholders of the Corporation (the “**Shareholders**”). The Board of Directors will discharge its responsibilities directly and through its committees, currently consisting of the Audit Committee and the Compensation and Governance Committee.

The Board of Directors will seek to comply with *National Policy 58-201 - Corporate Governance Guidelines*, and will adopt governance ‘best practices’ as appropriate in the interests of ensuring the effective execution of the Board of Directors’ overall stewardship role and the contribution the directors make, individually and collectively, to the long-term success of the Corporation. The Board of Directors will primarily fulfill its responsibilities by carrying out the activities enumerated in Section III of this Charter.

II. COMPOSITION

The Board of Directors shall consist of a minimum of three and a maximum of fifteen directors, a majority of whom shall be Independent Directors (as defined below) and a majority of whom shall be residents of Canada. Pursuant to *National Instrument 58-101 – Disclosure of Corporate Governance Practices*, a director is considered to be an “**Independent Director**” if he or she has no direct or indirect “material relationship” with the Corporation which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. Notwithstanding the foregoing, a director shall be considered to have a “material relationship” with the Corporation (and therefore shall be considered a “**Non-Independent Director**”) if he or she falls in one of the categories listed in Charter Schedule “A” attached hereto.

The Board of Directors shall meet at least quarterly and as frequently as circumstances require.

Meetings of the Board of Directors (including any adjournments thereof) shall be called and held in accordance with the Corporation’s By-laws and applicable law.

A schedule of regular meetings of the Board of Directors and its committees shall be circulated to each director and agreed upon by the Board of Directors prior to the commencement of a calendar year. Confirmation of the date, time and location of regular meetings will be sent to directors approximately one week in advance of regularly scheduled meetings. All meetings must be called on at least two days’ notice (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) before the meeting is to take place. Special meetings may be called with 24 hours’ notice. A quorum at any meeting of the Board of Directors or its committees shall be two-fifths of the directors or members, as the case may be.

Independent Directors may serve on the Board of Directors for a period determined by the Compensation and Governance Committee from time to time. However, each director will be elected for a term of one year and may stand for re-election at the end of each term. The Compensation and Governance Committee shall be responsible for reviewing the candidacy of each nominee on an annual basis and confirming that each of the nominees meets the Corporation's expectations outlined in the Position Description for Directors and in this Charter.

III. RESPONSIBILITIES AND DUTIES

The mandate of the Board of Directors is the stewardship of the Corporation. To fulfill its responsibilities and duties, the Board of Directors shall:

1. Review, assess and update this Charter at least annually, as conditions dictate.
2. Adopt corporate governance policies and practices as recommended, from time to time, by the Compensation and Governance Committee, as appropriate.
3. Assign to the various committees of the Board of Directors the general responsibility for developing the Corporation's approach to: (i) the nomination of the directors; (ii) the enhancement of governance; (iii) matters relating to compensation of the members of the Board of Directors; (iv) matters relating to compensation of the officers and executive officers of the Corporation; and (v) matters relating to financial reporting and internal controls.
4. Satisfy itself, to the extent feasible:
 - a. as to the integrity of the officers of the Corporation and of the Chief Executive Officer of the Corporation; and
 - b. that the officers of the Corporation and the Chief Executive Officer of the Corporation create a culture of integrity throughout the organization.
5. With the assistance of the Compensation and Governance Committee:
 - a. review the composition of the Board of Directors and ensure it reflects the independence criteria;
 - b. assess, at least annually, the effectiveness of the Board of Directors, the committees of the Board of Directors and the contribution of individual directors, including, consideration of the appropriate number of the directors;
 - c. ensure that an appropriate review and selection process for new nominees as directors is in place;
 - d. ensure that an appropriate orientation and education program for new directors is in place; and
 - e. adopt disclosure and securities compliance policies, including, without limiting the foregoing, communications policies of the Corporation.
6. With the assistance of the Compensation and Governance Committee:

review the adequacy and form of each Director's compensation to ensure it is adequate and competitive and that it realistically reflects the responsibilities and risks involved in being a director of the Corporation.

7. With the assistance of the Audit Committee:
 - a. ensure the integrity of the Corporation's internal controls and management information systems;
 - b. ensure the Corporation's ethical behaviour and compliance with laws and regulations, audit and accounting principles and the Corporation's own governing documents;
 - c. identify the principal risks of the Corporation's business and ensure that appropriate systems are in place to manage these risks;
 - d. review and approve significant operational and financial matters and provide direction to management on these matters; and
 - e. approve the quarterly and annual financial statements and related management's discussion and analysis.
8. Adopt a strategic planning process and approve, on at least an annual basis, a strategic plan which takes into account, among other things, the business opportunities and business risks and monitor the performance of the Corporation against the strategic plan.
9. Monitor and review feedback provided by the Corporation's various stakeholders.
10. Review major decisions which require the approval of the Board of Directors, including (without limitation), with respect to raising additional capital and issuing additional securities of the Corporation, and approve such decisions as they arise.
11. Perform such other functions as prescribed by law or assigned to the Board of Directors in the By-laws of the Corporation.
12. Approve, on at least an annual basis, the strategic plan of the Corporation that takes into account, among other things, business opportunities and business risks identified by the management of the Corporation, the directors and/or the Audit Committee and monitoring performance against such plan.
13. Approve the annual budget, including a marketing plan and a business plan, of the Corporation.
14. Review with the management of the Corporation, and approve, all material transactions and agreements to be entered into by the Corporation outside of the ordinary course of the business of the Corporation and all fundamental changes to the business of the Corporation.
15. Remove and replace members of, and fill vacancies on, the management of the Corporation and add members to the management (including training and monitoring senior management).
16. Develop written position descriptions for the Chair of the Board of Directors (the "**Chair**") and the chair of each committee of the Board of Directors.
17. Develop, together with the Chief Executive Officer, a written position description for the Chief Executive Officer.

18. Develop and approve the goals and objectives that the Chief Executive Officer is responsible for meeting.

The foregoing list is not exhaustive. The Board of Directors may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities and duties.

Each director shall forward all questions, comments and/or concerns regarding the business and affairs of the Corporation to the Board of Directors through the Chair. However, the chair of the Audit Committee shall be entitled and encouraged to speak directly with the Chief Financial Officer regarding all financial matters.

The Compensation and Governance Committee shall review the attendance of directors each year as part of the nomination process for the election of directors. Commencing July 1, 2008 directors are expected to attend and participate in at least 75% of the regularly scheduled meetings of the Board of Directors and each of its committees to which he or she is assigned, and at least 25% of such regularly scheduled meetings shall be attended in person, subject to the discretion of the Board of Directors. Any director who fails to meet such expectations shall tender a written resignation as a director to the Chair for acceptance or rejection by the Board of Directors.

IV. DIRECTORS' REMUNERATION

The remuneration of directors shall be reviewed on an annual basis by the Compensation Committee to ensure that directors are adequately and competitively compensated.

V. ORIENTATION OF NEW DIRECTORS

The Corporation shall provide an orientation program for new members of the Board of Directors. Each new director will be provided with a range of written materials, including those that outline the organization of the Board of Directors and its committees, position descriptions and this Charter, as well as be introduced to the members of management of the Corporation.

VI. CONTINUING EDUCATION FOR DIRECTORS

The Corporation shall provide ongoing business and director education sessions for members of the Board of Directors. Individual directors shall also be encouraged to participate in outside professional development programs approved by the Chair.

Schedule “A”
Meaning of “material relationship”

The following individuals are considered to have a “material relationship” with the Corporation:

- a) an individual who is, or has been within the last three years, an employee or executive officer of the Corporation;
- b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;
- c) an individual who:
 - A. is a partner of a firm that is the Corporation’s internal or external auditor,
 - B. is an employee of that firm, or
 - C. was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
- d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - A. is a partner of a firm that is the Corporation’s internal or external auditor,
 - B. is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - C. was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
- e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation’s current executive officers serves or served at that same time on the entity’s compensation committee; and
- f) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation from the Corporation during any 12 month period within the last three years.

For the purposes of determining whether a “material relationship” exists according to the above criteria, the term “Corporation” shall include each subsidiary entity and the parent, if any, of Advantex Marketing International Inc.

Notwithstanding any of the foregoing criteria being met, an individual will not be considered to have a material relationship with the Corporation solely because he or she had a relationship identified in paragraphs (a) to (f) above by virtue of the fact that the reference to the “Corporation” therein includes any subsidiary entity or the parent, if any, of Advantex Marketing International Inc.

For purpose of paragraphs (c) and (d) above, a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

For the purpose of paragraph (f) above, direct compensation does not include:

- (i) remuneration for acting as a member of the Board of Directors or of any committee of the Board of Directors, and
- (ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.

Despite paragraphs (a) to (f) above, an individual will not be considered to have a material relationship with the Corporation solely because the individual or his or her immediate family member

- (i) has previously acted as an interim chief executive officer of the Corporation, or
- (ii) acts, or has previously acted, as a chair or vice-chair of the Board of Directors or of any committee of the Board of Directors on a part-time basis.

Related Definitions

“executive officer” of an entity – means an individual who is (a) a chair of the entity; (b) a vice-chair of the entity; (c) the president of the entity; (d) a vice-president of the entity in charge of a principal business unit, division or function including sales, finance or production; (e) an officer of the entity or any of its subsidiary entities who performs a policy-making function in respect of the entity; or (f) any other individual who performs a policy-making function in respect of the entity.

“officer” - (a) a chair or vice-chair of the board of directors, a chief executive officer, a chief operating officer, a chief financial officer, a president, a vice-president, a secretary, an assistant secretary, a treasurer, an assistant treasurer and a general manager, (b) every individual who is designated as an officer under a by-law or similar authority of the registrant or issuer, and (c) every individual who performs functions similar to those normally performed by an individual referred to in clause (a) or (b).

“person” - an individual partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative.

“subsidiary entity” - a person or company is considered to be a subsidiary entity of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary entity of a person or company that is the other’s subsidiary entity.



ADVANTEX

EXHIBIT "B"

RESOLUTION APPROVING RESTRICTED SHARE UNIT PLAN

BE IT RESOLVED that:

1. the Restricted Share Unit Plan in the form submitted to the shareholders of the Company be and is hereby approved; and
2. any one director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in their discretion, determine to be necessary in order to give effect to the intent and purpose of this resolution.



ADVANTEX

EXHIBIT “C”

CHARTER OF THE COMPENSATION AND GOVERNANCE COMMITTEE

I. PURPOSE

The compensation and governance committee (the “**Corporate Compensation and Governance Committee**”) is a committee of the board of directors (the “**Board of Directors**”) of Advantex Marketing International Inc. (the “**Corporation**”). The primary function of the Corporate Compensation and Governance Committee is to assist the Board of Directors in fulfilling its responsibilities relating to the

1. fulfilling its responsibilities relating to the compensation of the members of the Board of Directors and its committees by:
2. enhancement of the Corporation’s corporate governance practices and the nomination of directors by:
 - reviewing and recommending to the Board of Directors the compensation of the members of the Board of Directors including annual retainer, meeting fees, option grants and other benefits conferred upon the members of the Board of Directors;
 - dealing with the administration of the Corporation’s compensation plans, including stock option plans, long term incentive plans, and such other compensation plans or structures as are adopted by the Corporation from time-to-time; and
 - establishing and periodically reviewing the Corporation’s policies in the area of management benefits and perquisites.
 - The Compensation Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section IV of this Charter. The primary function of the Compensation Committee is to assist the Board of Directors in fulfilling its legal and fiduciary obligations and responsibilities.
 - developing and maintaining a review and selection process for new nominees as directors and proposing to the Board of Directors nominees for the election of directors at each annual meeting of shareholders of the Corporation (the “**Shareholders**”);
 - developing and maintaining an orientation and education program for new directors and assisting in the orientation and education of new directors;
 - assessing the composition and effectiveness of the Board of Directors as a whole as well as discussing the contribution of individual members; and

- developing the Corporation’s corporate governance policies and practices and assessing and ensuring compliance with the Corporation’s approach to corporate governance issues.

The Corporate Compensation and Governance Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section IV of this Charter. The primary function of the Compensation and Governance Committee is to assist the Board of Directors in fulfilling its legal and fiduciary obligations and responsibilities.

II. COMPOSITION AND MEETINGS

The Compensation and Governance Committee shall be comprised of such number of directors (but at least two) as determined by the Board of Directors, the majority of whom shall be Independent Directors (as defined below), but where there are only two (2) members, all shall be Independent Directors. Pursuant to *National Instrument 58-101 – Disclosure of Corporate Governance Practices* (“**NI 58-101**”), a director is considered to be an “**Independent Director**” if he or she has no direct or indirect “material relationship” with the Corporation, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a Director’s independent judgment. Notwithstanding the foregoing, a director shall be considered to have a “material relationship” with the Corporation (and therefore shall be considered a “**Non-Independent Director**”) if he or she falls in one of the categories listed in Schedule “A” attached hereto. Each member will have, to the satisfaction of the Board of Directors, sufficient skills and/or experience which are relevant and will be of contribution to the carrying out of the mandate of the Corporate Compensation and Committee.

The members of the Compensation and Governance Committee shall be appointed by the Board of Directors at the annual organizational meeting of the Board of Directors or until their successors are duly appointed and qualified. The Board of Directors may remove a member of the Corporate Compensation and Governance Committee at any time in its sole discretion by resolution of the Board of Directors. Unless a Chair is elected by the Board of Directors, the members of the Corporate Compensation and Governance Committee may designate a Chair by majority vote of the full membership of the Corporate Compensation and Governance Committee.

The Corporate Compensation and Governance Committee shall meet at least twice per annum and more frequently as circumstances require. The Corporate Compensation and Governance Committee may ask members of management or others to attend meetings or to provide information as necessary. In addition, the Corporate Compensation and Governance Committee or, at a minimum, the Chair of the Committee may meet with the Corporation’s external counsel to discuss the Corporation’s governance policies and practices. The Corporate Compensation and Governance Committee may retain the services of outside specialists to the extent required.

Quorum for the transaction of business at any meeting of the Corporate Compensation and Governance Committee shall be the presence in person or by telephone or other communication equipment of a majority of the number of members of the Corporate Compensation and Governance Committee or such greater number as the Corporate Compensation and Governance Committee shall by resolution determine.

If within one hour of the time appointed for a meeting of the Corporate Compensation and Governance Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, the quorum for the adjourned meeting shall consist of the members then present.

If and whenever a vacancy shall exist, the remaining members of the Corporate Compensation and Governance Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

Meetings of the Corporate Compensation and Governance Committee shall be held from time to time and at such place as the Corporate Compensation and Governance Committee or the Chairman of the Corporate Compensation and Governance Committee shall determine, within or outside of Ontario, upon not less than two days (exclusive of the day on which the notice is delivered or sent but inclusive of the day for which notice is given) prior notice to each of the members. Meetings of the Corporate Compensation and Governance Committee may be held without such prior notice if all of the members entitled to vote at such meeting who do not attend, waive notice of the meeting and, for the purpose of such meeting, the presence of a member at such meeting shall constitute waiver on his or her part. The Chair of the Corporate Compensation and Governance Committee, any member of the Corporate Compensation and Governance Committee or the Chair of the Board of Directors shall be entitled to request that the Chair of the Corporate Compensation and Governance Committee call a meeting. A notice of a meeting of the Corporate Compensation and Governance Committee must be given in accordance with the By-laws of the Corporation and applicable law.

The Corporate Compensation and Governance Committee shall keep minutes of its meetings which shall be submitted to the Board of Directors. The Corporate Compensation and Governance Committee may, from time to time, appoint any person who need not be a member, to act as secretary at any meeting.

All decisions of the Corporate Compensation and Governance Committee will require the vote of a majority of its members present at a meeting at which a quorum is present. Actions of the Corporate Compensation and Governance Committee may be taken by an instrument or instruments in writing signed by all of the members of the Corporate Compensation and Governance Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Corporate Compensation and Governance Committee called for such purpose. Such instruments in writing may be signed in counterparts each of which shall be deemed to be an original and all originals together shall be deemed to be one and the same instrument.

III. AUTHORITY OF THE CORPORATE COMPENSATION AND GOVERNANCE COMMITTEE

The Corporate Compensation and Governance Committee has the authority to engage and compensate any outside advisors that it determines to be necessary to permit it to carry out its duties.

The Corporate Compensation and Governance Committee also has the authority to conduct or authorize investigations into any matters within the scope of its responsibilities.

The Corporate Compensation and Governance Committee may request any director or member of management of the Corporation, outside counsel of the Corporation or others, to attend a meeting of the Corporate Compensation and Governance Committee or to meet with members of, or advisors to, the Corporate Compensation and Governance Committee and to provide pertinent information as necessary.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Corporate Compensation and Governance Committee shall:

General Responsibilities

1. Review and assess this Charter at least annually, as conditions dictate, and submit any proposed revisions to the Board of Directors for approval.
2. Create an agenda for the ensuing fiscal year.
3. Report periodically to the Board of Directors.

Nominating Responsibilities

4. Establish competencies and skills that the Board of Directors should possess, recognizing that the particular competencies and skills required for the Corporation may not be the same as those required for other issuers in similar industries.
5. Assess competencies and skills of each of the existing directors as well as of the Board of Directors recognizing the personality and other qualities of each director.
6. Consider the appropriate size of the Board of Directors with a view to facilitating effective decision-making.
7. Establish procedures for identifying possible nominees who meet these criteria (and who are likely to bring the competencies and skills the Corporation needs as a whole).
8. Establish an appropriate review selection process for new nominees for election as directors.
9. Establish, approve and maintain appropriate orientation and education programs and procedures for new directors, as well as encourage and support directors participating in external professional development programs approved by the Chair of the Committee.
10. Analyze the needs of the Corporation when vacancies arise and identify and recommend nominees who meet the needs of the Corporation for election as directors at annual meetings of Shareholders.
11. Establish procedures for filling in vacancies among the directors.

Corporate Governance Responsibilities

12. Ensure that there is an appropriate number of Independent Directors.
13. Facilitate the independent functioning and maintain an effective relationship between the Board of Directors and management of the Corporation.
14. Assess the effectiveness of the Chair's agenda.
15. Annually review performance and qualification of existing directors in connection with their re-election.
16. Assess, at least annually, the composition and effectiveness of the Board of Directors as a whole, committees of the Board of Directors and the contribution of individual directors, including making recommendations where appropriate that sitting directors be removed or not re-appointed.

17. Keep up to date with regulatory requirements and other new developments in governance and develop and review the quality of the Corporation's governance policies and practices and suggest changes to the Corporation's governance policies and practices as determined appropriate by the Board of Directors.

18. Consider annually the appropriateness of the number of directors.

19. Ensure that disclosure and securities compliance policies, including communications policies, are in place and that such policies are reviewed annually.

20. Describe in each management information circular of the Corporation in which management solicits proxies for the purposes of electing directors to the Board of Directors, the disclosure required under Part 2 of NI 58-101.

The foregoing list is not exhaustive. The Compensation and Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities and duties.

Compensation Responsibilities

21. Review and recommend to the Board of Directors the compensation of the members of the Board of Directors including annual retainer, meeting fees, option grants and other benefits conferred upon the members of the Board of Directors.

22. Review and recommend to the Board of Directors the compensation of the officers and executive officers of the Corporation, including option grants and other benefits conferred upon such officers of the Corporation.

23. Review compensation disclosure relating to the Board of Directors and the executive compensation relating to the management of the Corporation before the Corporation publicly discloses this information.

24. Describe in each management information circular of the Corporation in which management solicits proxies for the purposes of electing directors to the Board of Directors, the disclosure required in Form 51-102 F6.

The foregoing list is not exhaustive. The Compensation and Governance Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities and duties.

Schedule “A”
Meaning of “material relationship”

The following individuals are considered to have a “material relationship” with the Corporation:

1. an individual who is, or has been within the last three years, an employee or executive officer of the Corporation;
2. an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;
3. an individual who:
 - a. is a partner of a firm that is the Corporation’s internal or external auditor,
 - b. is an employee of that firm, or
 - c. was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
4. an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - a. is a partner of a firm that is the Corporation’s internal or external auditor,
 - b. is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - c. was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;
5. an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation’s current executive officers serves or served at that same time on the entity’s compensation committee; and
6. an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation from the Corporation during any 12 month period within the last three years.

For the purposes of determining whether a “material relationship” exists according to the above criteria, the term “Corporation” shall include each subsidiary entity and the parent, if any, of Advantex Marketing International Inc.

Notwithstanding any of the foregoing criteria being met, an individual will not be considered to have a material relationship with the Corporation solely because he or she had a relationship identified in paragraphs (a) to (f) above by virtue of the fact that the reference to the “Corporation” therein includes any subsidiary entity or the parent, if any, of the Corporation.

For purpose of paragraphs (3) and (4) above, a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

For the purpose of paragraph (6) above, direct compensation does not include:

- (i) remuneration for acting as a member of the Board of Directors or of any committee of the Board of Directors, and
- (ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.

Despite paragraphs (1) to (6) above, an individual will not be considered to have a material relationship with the Corporation solely because the individual or his or her immediate family member

- (i) has previously acted as an interim chief executive officer of the Corporation, or
- (ii) acts, or has previously acted, as a chair or vice-chair of the Board of Directors or of any committee of the Board of Directors on a part-time basis.

Related Definitions

“executive officer” of an entity – means an individual who is (a) a chair of the entity; (b) a vice-chair of the entity; (c) the president of the entity; (d) a vice-president of the entity in charge of a principal business unit, division or function including sales, finance or production; (e) an officer of the entity or any of its subsidiary entities who performs a policy-making function in respect of the entity; or (f) any other individual who performs a policy-making function in respect of the entity.

“officer” - (a) a chair or vice-chair of the board of directors, a chief executive officer, a chief operating officer, a chief financial officer, a president, a vice-president, a secretary, an assistant secretary, a treasurer, an assistant treasurer and a general manager, (b) every individual who is designated as an officer under a by-law or similar authority of the registrant or issuer, and (c) every individual who performs functions similar to those normally performed by an individual referred to in clause (a) or (b).

“person” - an individual partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative.

“subsidiary entity” - a person or company is considered to be a subsidiary entity of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary entity of a person or company that is the other’s subsidiary entity.



ADVANTEX

EXHIBIT “D”

CHARTER OF THE AUDIT COMMITTEE

1. PURPOSE

1.1 The primary function of the Audit Committee of the Board of Directors is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing:

- (a) the financial information that will be provided to the shareholders of the Company and others;
- (b) the systems of internal controls, established by management of the Company and the Board; and
- (c) all audit processes of the Company.

1.2 Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Company is vested in management of the Company and is overseen by the Board.

II. COMPOSITION AND OPERATIONS

Composition

2.1 The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates, and the majority of whom, as determined by the Board guided by applicable statutory or regulatory definitions, are “independent” and “financially literate”. In the absence of such determination, as those terms are defined, as follows, based on the provisions of National Instrument 52-110 – Audit Committees as adopted by the Canadian Securities Administrators, as such Instrument is revised or replaced from time to time:

“financially literate” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

“independent” means having no direct or indirect material relationship (as defined in Schedule “A”) with the Company.

2.2 Each member of the Audit Committee shall serve during the pleasure of the Board and, in any event, only so long as he or she shall meet the qualifications set out in Section 2.1.

2.3 One of the members of the Audit Committee shall be elected as its chairman by the Audit Committee or the Board of Directors of the Company.

Operation – General

2.4 The Company's auditors shall be advised of the names of the Audit Committee members from time to time.

2.5 The Audit Committee shall meet with the Company's external auditors as it deems appropriate to consider any matter that the Audit Committee or the external auditors determine should be brought to the attention of the Board or the shareholders of the Company.

2.6 The Audit Committee shall have access to the Company's senior management and any documentation as required to fulfill its duties and responsibilities and shall be provided with the resources necessary to carry out its duties and responsibilities.

2.7 The Audit Committee shall provide open avenues of communication among management, employees, and external and to the extent applicable, internal auditors of the Board of the Company.

2.8 The secretary to the Audit Committee shall be either the Secretary or his or her delegate.

2.9 The Board may fill vacancies in the Audit Committee by election from among the directors of the Company. If and whenever a vacancy shall exist in the Audit Committee, the remaining members may exercise all of its powers so long as a quorum remains in office.

2.10 The Company's external auditor will report directly to the Audit Committee and the Audit Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting.

2.11 The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services referred to in Section 3.3 (g) provided that the pre-approval of non-audit services is presented to the Audit Committee at its first scheduled meeting following such pre-approval.

2.12 For the purposes of performing their duties, the members of the Audit Committee shall have the right, at all reasonable times, to inspect the books and financial records of the Company and its affiliates and to discuss with management such accounts, records and matters relating to the financial statements of the Company.

2.13 The Audit Committee may invite such officers, directors and employees of the Company as it may see fit, from time to time, to attend at meetings of the Audit Committee.

2.14 The Audit Committee has the authority to engage and compensate any outside advisors, including independent counsel, that it determines to be necessary to permit it to carry out its duties.

Operation – Meeting

2.15 The Company's auditors shall receive notice of and be invited to attend at the expense of the Company every meeting of the Audit Committee and to be heard at those meetings, or, if requested by a member of the Audit Committee, the auditor shall attend every meeting of the Audit Committee during the term of the officer of the auditors.

2.16 The Audit Committee shall meet at least four times each year in advance of approving the Company's interim or annual financial statements, as applicable.

2.17 A quorum for the transaction of business of the Audit Committee shall consist of two members of the Audit Committee.

2.18 The time and place for meetings of the Audit Committee shall be held, and procedures at such meetings shall be determined, from time to time, by the Audit Committee. The Secretary of the Company shall, upon the request of the Audit Committee Chairman, any member of the Audit Committee, the external auditors of the Company, the President and Chief Executive Officer of the Company or the Chief Financial Officer of the Company, call a meeting of the Audit Committee by letter, telephone, facsimile, telegram or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

2.19 Any matters to be determined by the Audit Committee shall be decided by a majority of votes cast at a meeting of the Audit Committee called for such purpose or by an instrument or instruments in writing signed by all of the members of the Audit Committee.

2.20 Any member of the Audit Committee may participate in the meeting of the Audit Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

2.21 The Audit Committee shall keep minutes of its meetings which shall be submitted to the Board.

2.22 The Audit Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Audit Committee will perform the following duties.

3.1 Financial Statements and Other Financial Information

The Audit Committee will review and recommend for approval to the board financial information that will be made publicly available. Without limiting the generality of the foregoing, the Audit Committee will:

(a) review and recommend to the Board for approval the Company's annual financial statements and the corresponding Management Discussion and Analysis ("MD&A") and report to the Board before such financial statements and corresponding MD&A are approved by the Board;

(b) review and approve for release the Company's interim financial statements and the corresponding interim MD&A;

(c) review and approve for release all annual and interim profit or loss press releases;

(d) review and recommend to the Board for approval, the financial content of the annual report and any reports required by applicable governmental or regulatory authorities;

(e) review, to the extent applicable, the Company's annual information form and any prospectus, information circulars or offering memorandum and any other similar public disclosure documents of the Company;

(f) review any management report that accompanies published financial statements (to the extent such a report discusses the financial position or operating results of the Company) for consistency of disclosure with the financial statements themselves;

(g) review and discuss the appropriateness of accounting policies and financial reporting practices used by the Company and the financial impact thereof;

(h) review any major areas of management judgment and estimates that have a significant effect upon the financial statements;

(i) review and discuss any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Company;

(j) review and discuss any new or pending developments in accounting and reporting standards that may affect the Company;

(k) review and discuss management's key estimates and judgments that may be material to financial reporting of the Company; and

(l) review and discuss with management all significant variances between comparative reporting periods and any financial statements of the Company, including variances in forecasted financial information from actual results which may have been included in any public documents of the Company.

As well, the Audit Committee shall satisfy itself that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from its financial statements, other than the disclosure referred to above, and to periodically assess the adequacy of such procedures

3.2 Risk Management, Internal Control and Information Systems

The Audit Committee will review and obtain reasonable assurance that the risk management, internal controls, information systems and financial reporting procedures of the Company are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:

(a) review of the Company's risk management controls and policies;

(b) obtaining reasonable assurance that the information systems are reliable and the systems of internal controls are properly designated and effectively implemented through discussions with and reports from management, to the extent applicable, the internal auditor and the external auditor of the Company;

(c) review of management steps to implement and maintain appropriate internal control procedures including a review of policies;

(d) review of the adequacy of security of information, information systems and recovery plans;

- (e) monitoring compliance with applicable statutory and regulatory obligations;
- (f) review of the appointment of the Chief Financial Officer;
- (g) review of the adequacy of accounting and finance resources;
- (h) establish procedures to receive, retain and respond to complaints regarding accounting, internal controls and auditing and financial matters; and
- (i) establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

3.3 External Audit

The Audit Committee will oversee the work of the Company's external auditor and review the planning and results of external audit activities and the ongoing relationship with the external auditor of the Company. This includes:

- (a) review and recommend to the board, for shareholder approval, engagement and compensation of the external auditor. If a change in external auditor is proposed, the Audit Committee shall enquire as to the reasons for the change, including the response of the incumbent auditor, and enquire as to the qualifications of the newly proposed auditor before making its recommendation to the Board;
- (b) review the annual external audit plan, including but not limited to the following:
 - (i) engagement letter;
 - (ii) objectives and scope of the external audit work;
 - (iii) procedures for quarterly review of financial statements;
 - (iv) materiality limitations;
 - (v) areas of audit risk;
 - (vi) staffing;
 - (vii) timetable; and
 - (viii) proposed fees,

and enquire as to the extent the planned audit scope can be relied upon to detect weaknesses in internal controls;

- (c) meet with the external auditor to discuss the Company's quarterly and annual financial statements and the auditor's report, including the appropriateness of accounting policies, the quality of accounting principles and underlying estimates;
- (d) review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:

- (i) any difficulties encountered, or restrictions imposed, by management, during the annual audit;
 - (ii) any significant accounting or financial reporting issue;
 - (iii) the auditor's evaluation of the Company's system of internal controls, procedures and documentation;
 - (iv) the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses;
 - (v) any other matters the external auditor brings to the Audit Committee's attention; and
 - (vi) assess the performance and consider the annual appointment of external auditors for recommendation to the Board.
- (e) review the auditor's report on all material subsidiaries;
 - (f) review and receive assurances on the independence of the external auditors;
 - (g) except to the extent delegated under Section 2.11, review and approve the non-audit services to be provided by the external auditor or its affiliates (including estimated fees), and consider the impact on the independence of the external audit;
 - (h) meet periodically, and at least annually, with the external auditor without management present and ensure that the external auditor is accountable to the Board and the Audit Committee as representatives of the shareholders of the Company; and
 - (i) oversee the resolution of any disagreement between management and the external auditor regarding financial reporting.

3.4 Other

The Audit Committee will also:

- (a) review insurance coverage of significant business risks and uncertainties;
- (b) review with management, the external auditors and if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments, that could have a material adverse effect upon the financial position or operating results of the Company, and the manner in which these matters have been disclosed in the financial statements;
- (c) review policies and procedures for the review and approval of officers' expenses and perquisites;
- (d) review the terms of the Audit Committee's Charter annually and make recommendations to the Board as required;
- (e) approve the basis and amount of the external auditor's fees in light of the number and nature of reports issued by the auditor, the quality of the internal controls, the size, complexity and financial condition of the Company and the extent of support provided by the Company to the external auditor and approve all other non-audit fees of the auditor and other accounting firms;

- (f) review and approve a corporate code of ethics for senior financial personnel and evaluate the effectiveness of such code on a periodic basis;
- (g) approve the Company's hiring policies regarding partners employees and former partners and employees of the present and former external auditor of the Company; and
- (h) conducting regular reviews, assessments and discussions with management and the Company's external auditor relating to, among other things, financial matters, internal controls, risk management matters, and the procedures in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements.

3.5 Accountability

The Audit Committee shall report its discussions to the Board by distributing the minutes of its meetings and, where appropriate, by oral report at the next Board meeting.

3.6 Amendments

The Board of Directors may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

Schedule “A” meaning of “material relationship”
Meaning of “material relationship”

The following individuals are considered to have a “material relationship” with the Corporation:

1) an individual who is, or has been within the last three years, an employee or executive officer of the Corporation;

2) an individual whose immediate family member is, or has been within the last three years, an executive officer of the Corporation;

3) an individual who:

a. is a partner of a firm that is the Corporation’s internal or external auditor,

b. is an employee of that firm, or

c. was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;

4) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

a. is a partner of a firm that is the Corporation’s internal or external auditor,

b. is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

c. was within the last three years a partner or employee of that firm and personally worked on the Corporation’s audit within that time;

5) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the Corporation’s current executive officers serves or served at that same time on the entity’s compensation committee; and

6) an individual who received, or whose immediate family member who is employed as an executive officer of the Corporation received, more than \$75,000 in direct compensation from the Corporation during any 12 month period within the last three years.

For the purposes of determining whether a “material relationship” exists according to the above criteria, the term “Corporation” shall include each subsidiary entity and the parent, if any, of Advantex Marketing International Inc.

Notwithstanding any of the foregoing criteria being met, an individual will not be considered to have a material relationship with the Corporation solely because he or she had a relationship identified in paragraphs (a) to (f) above by virtue of the fact that the reference to the “Corporation” therein includes any subsidiary entity or the parent, if any, of the Corporation.

For purpose of paragraphs (3) and (4) above, a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

For the purpose of paragraph (6) above, direct compensation does not include:

(i) remuneration for acting as a member of the Board of Directors or of any committee of the Board of Directors, and

(ii) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Corporation if the compensation is not contingent in any way on continued service.

Despite paragraphs (1) to (6) above, an individual will not be considered to have a material relationship with the Corporation solely because the individual or his or her immediate family member

(i) has previously acted as an interim chief executive officer of the Corporation, or

(ii) acts, or has previously acted, as a chair or vice-chair of the Board of Directors or of any committee of the Board of Directors on a part-time basis.

Related Definitions

“**executive officer**” of an entity – means an individual who is (a) a chair of the entity; (b) a vice-chair of the entity; (c) the president of the entity; (d) a vice-president of the entity in charge of a principal business unit, division or function including sales, finance or production; (e) an officer of the entity or any of its subsidiary entities who performs a policy-making function in respect of the entity; or (f) any other individual who performs a policy-making function in respect of the entity.

“**officer**” - (a) a chair or vice-chair of the board of directors, a chief executive officer, a chief operating officer, a chief financial officer, a president, a vice-president, a secretary, an assistant secretary, a treasurer, an assistant treasurer and a general manager, (b) every individual who is designated as an officer under a by-law or similar authority of the registrant or issuer, and (c) every individual who performs functions similar to those normally performed by an individual referred to in clause (a) or (b).

“**person**” - an individual partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative.

“**subsidiary entity**” - a person or company is considered to be a subsidiary entity of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary entity of a person or company that is the other’s subsidiary entity.